The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Tokyo's "Hands Off" Declaration Stirs Powers to Action

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The Development of Mining Industry in China . . . . . By Huang Chin-tao

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Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE. POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTSING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

HOW THE EXTERRITORIALITY ISSUE STANDS AT PRESENT

A *Kuomin* message from Nanking on April 22 stated that a committee appointed by the Ministry of Industries to make a study of the Sino-American commercial treaty had completed its work and had forwarded a memorndum dealing with revision to the Ministry of Foreign Affairs. The committee of the Ministry of Industries is now engaged in making a similar study of the Sino-British commercial agreement. What these recommendations are has not been stated, but the announcement constitutes evidence that China is working on a plan for revision of these treaties, in fact the National government has already formally notified the American, British and other governments of its intention to revise these treaties. Chief interest, of course, is centered in Article XV of the Commercial Treaty which was signed by China and the United States on Oct. 8, 1903 and ratifications exchanged by the two countries on Jan. 13, 1904. This article refers to exterritoriality particularly, but other articles refer in detail to the trading and residence rights of American citizens in the Chinese Republic. Aside from these articles defining the rights and privileges of American citizens in China, interest next attaches to a paragraph headed "revision" which states in effect that either of the high contracting parties may demand a revision at the end of ten years from the date of ratification and if no revision is demanded before the end of the first term of ten years, then the treaty shall continue for another period of ten years, and so on for successive periods of ten years.

Since this particular treaty was ratified on Jan. 13, 1904, the end of the third period of ten years was on Jan. 13 of this year. The third ten years period of the British treaty expired on July 28 of last year, hence the positions of America and Britain on this question are almost exactly similar. In a previous discussion of this subject which appeared in *The Review* on April 14, the statement was made that the British and American treaties had expired on July 28, 1933 and Jan. 13, 1934 respectively, but this statement has been disputed by at least one authority who takes the

position that since Britain and America have not agreed to revision, the treaties are therefore still in effect. While admitting that this contention raises an interesting point, we doubt very strongly whether the contention would stand in view of China's having given formal notice of a desire to have the treaty revised. The paragraph in the treaty reads as follows:

> "It is further agreed that either of the High Contracting Parties may demand that the tariff and the articles of this convention be revised at the end of ten years from the date of the exchange of the ratification thereof. If no revision is demanded before the end of the first term of ten years, then these articles in their present form shall remain in force for a further term of ten years reckoned from the end of the first term, and so on for successive periods of ten years."

China did not demand a revision at the end of the first ten years or the second, but she has demanded a revision at the end of the third period and since the foregoing paragraph in the treaty states plainly that *either party* may demand a revision, it is difficult to see how there can be any further side-stepping of the fundamental issue. Any other contention would amount to saying that the treaty is perpetual and could never be revised until both parties are agreeable, a contention which of course, is untenable. As a matter of fact if one of the parties to the agreement demands revision, in accordance with the terms of the agreement, and the other refuses, it would, in our opinion, amount to a termination of the treaty, otherwise expiration. Dr. W. W. Willoughby, professor of political science at Johns Hopkins University, probably the best authority on the legal phases of foreign rights and interests in China, expressed the opinion that if China could not induce the Powers to revise the exterritorial treaties, that she probably would follow the course of Turkey and denounce them. However, it is unlikely that China will follow this course in view of the apparent intention of both Britain and the United States to comply with China's request for a revision. As a matter of fact considerable progress toward revision had been made in 1931 when the Japanese intervention in Manchuria caused the negotiations to be postponed. Dr. Jacob Gould Schurman, former American Minister to China, declared in the course of an address delivered in Shanghai in 1925 that unless the Powers agreed to revision, China ultimately would be forced because of revolutionary sentiment to abrogate the treaties.

China officially notified the American Government of her desire to revise the treaty on Dec. 23 of last year, to which the American Government is reported to have given assent. Considered in the light of these developments the Sino-American treaty is therefore still in effect. However, the failure, thus far of the U. S. Senate to ratify the appointment of a new judge of the U. S. Court for China has made the treaty technically inoperative for the time being.

There are some who doubtless will argue that the Japanese intervention has changed the situation and made China more amenable to a continuance of the foreign consular jurisdictions, but we strongly doubt the accuracy of that contention. The Japanese occupation of China's northeastern provinces has not improved the special position of the other foreigners in that area; as a matter of fact the Japanese themselves are working for an early abolition of exterritoriality in Manchuria as a means of improving their own positions. The Japanese are able to do this through their complete control of the new Manchurian courts which are now completely staffed with Japanese judges. Should Japan now succeed in achieving her ambitious program and establish her control over all China, the result will be quite similar here. Japan will lend China active assistance in abolishing exterritoriality as a means of embrassing the other foreigners. Already there have been rumors in circulation that this is one of the inducements which the Japanese have held out to China in exchange for China's recognition of Manchukuo.

But regardless of what may happen with respect to the Sino-Japanese crisis, it is difficult to find any substantial ground for the belief which apparently is still held in certain circles that China may agree to a continuance of the antiquated exterritorial system which even Sir John Simon, the British foreign minister, has admitted is out of date and should be revised. If the Powers are going to ultimately make a stand in China's behalf against Japanese aggression, it is obvious that they must also, simultaneously, and most definitely clarify their own positions in China and that means treaty revision to the extent of a relinquishment or at least modification of their own so-called "special rights" to such an extent as to remove Chinese animosities. But aside from these more or less obvious phases of the situation there is nothing in the present positions or inclinations of the Powers in the Far East to lend credence to the contention which apparently is still held in certain foreign circles that the Powers are likely to continue adherence to their old positions on these treaties.

HARRY ARNHOLD AND HIS MERRY MEN ON THE COUNCIL

THERE were two candidates for chairman of the Shanghai Municipal Council at the first meeting of the new councillors held on April 19, following the recent election which was held on March 26 and 27. The candidates were H. E. Arnhold and Brig. Gen. E. B. Macnaghten, both of British nationality. Arnhold won out, receiving eight votes to Macnaghten's six. The result was a surprise because it was expected that Macnaghten would receive the larger vote because of the fact that he had previously served as chairman and in addition had received the largest popular vote in the election, next to the two Japanese candidates. Arnhold had received the lowest vote of any of the British candidates and was only 12 votes ahead of J. W. Carney, new American candidate who is not popular with the Japanese because of his outspoken criticism of their airbombing of Chapei in the Shanghai war in 1932. But Arnhold won the chairmanship over Machaghten because he

received the solid vote of the five Chinese members of the Council and that also was due, indirectly to the Chapei incident for the Chinese bankers and businessmen are still resentful because Macnaghten, as chairman of the Council in 1932 failed to take a definite stand against the Japanese use of the International Settlement as a military base for conducting their operations against the 19th Route Army. The Chinese also are resentful against Macnaghten because of the speech he delivered at the ratepayers' meeting attacking the administration of the Chinese courts. The Chinese councillors therefore voted solidly for Arnhold and this with two votes of the other members, plus his own, gave him eight votes and the coveted chairmanship. The Japanese, of course, voted for Macnaghten, the reason probably being the opposite of that which inspired the Chinese to vote against him.

Definite information is not available as to which two of the foreign (non-Japanese) members voted with the Chinese for Arnhold, but according to reliable report they were the two members who advocated in their pre-election platforms the use of force against the Chinese in the settlement of the so-called outside-road issue Readers who are interested in the subject may obtain the information by referring to the statements which appeared in the local newspapers a few days before the election. It might be well for local residents to keep this element in mind because the first action of the new Council, after the election of the chairman, was to lodge a strong protest with the Chinese authorities over an incident which occurred on one of these outside roads involving the killing of a Chinese cyclist by one of busses operated by Mr. Arnhold's company, which in turn is owned by the so-called Sassoon interests, probably the largest foreign land-owners in the International Settlement.

Arnhold's position as chairman of the Council is likely to bring up a number of interesting situations during the year because in private business life he is a director of Arnhold and Company which owns the local buss company which is a constant sourse of friction because of its monopolization of the public streets, frequent accidents, and failure to pay any dividends to stockholders for several years. Then Arnhold and Company and also the buss company are in turn owned by the Sassoon interests which, as stated, are probably the largest foreign land-owners in the International Settlement. The Sassoon fortune, comparable somewhat to that of the Rothchilds in Europe, was amassed in India under Tory British rule, but when the British liberals and laborites began granting concessions to the Indian nationalists, the Sassoons pulled out of India, bag and baggage, and invested their money in the Shanghai settlements.. They must be given credit for improving the city for most of the new office buildings and hotels were constructed by them, but this doesn't alter the fact that the chief interest of the Sassoons and their representative on the Council is concerned chiefly in keeping down taxes and blocking any rent-reducing movements which the Chinese and the general public might favor in these days of extreme depression in Shanghai. Then, because of their ownership of the buss company, they are interested in maintaining complete control of the outside roads, while inside the Settlement they naturally will oppose most strenuously the introduction of cheap cruising taxis, the only practical method of eliminating the ricksha racketeering vultures who earn big profits by exploiting China's lowest class labor. Rickshas which are not suitable for long distances do not compete with the busses, but cheap cruising taxis would. It therefore was not surprising to read reports in the local newspapers, following the first meeting of the new Council, that nothing would be done to eliminate the ricksha scandal.

By supporting Arnhold against Macnaghten the Chinese probably unwittingly paved the way for increased complications between the Settlement authorities and Chinese interests, but as stated, Chinese feeling over the Chapei massacre is deep and cannot be easily forgotten and they hold Macnaghten partially responsible at least for the Japanese use of the Settlement as a base where the Chinese could not get at them with their field artillery There used to be a time in the good old days in Shanghai when meetings of the Council were conducted in gentlemanly fashion and all of the members were "gentlemen" at least so far as Shanghai standards dictated. But now the situation is different and the Council is dominated by men who know exactly what they want and apparently are not averse to using methods generally attributed to such cities as Chicago and New York. As a matter of fact one of the local officials was complaining the other day that "Tammanyism" had been introduced into Settlement politics. However, there is some compensation in the present situation. Previously when the Council was made up of "gentlemen" it was impossible to induce any of them to talk about what happened behind the closed doors of the Council chamber. But that also has now been changed and everybody talks, usually quite profanely, about what is going on and that is a good sign of democratic progress!

London Financial Paper Urges Alliance With Japan

The London *Financial News* April 5 (according to a dispatch in the *Osaka Mainichi* of April 8) came out with a proposition that Great Britain should once again enter into a political and economic alliance with Japan. "More recently," the *Financial News* stated, "among leaders of the government and the people, the claim that the Anglo-Japanese alliance should be revived is prevailing. At this psychological moment, the British Government should try to create a gentleman's agreement with Japan to take the place of the erstwhile Anglo-Japanese alliance which was scrapped at the Washington Conference of 1922. . . . The parties responsible for abandonment of the Anglo-Japanese alliance are the United States and Canada. America, however, has more recently been strengthening her friendship with Japan, leaving Britain behind. Britain is justified, under the circumstances, to enter into closer economic cooperation with Japan."

Prison Reforms Urged by General Chiang Kai-shek

Varous prison reforms are recommended by General Chiang Kai-shek in a recent circular dispatch to the various Provincial Governments. The message suggests that convicts sentenced to terms of more than two years should be required to do work within the prisons, for which purpose small factories or workshops should be established.

Japanese "Hands-Off" Declaration Precipitates Far Eastern Crisis

Reports from Washington and London on Wednesday, April 25 stated that the United States as well as Great Britain probably would dispatch a note to Tokyo asking the meaning of the Japanese declaration and also reiterating the position of the United States with respect to the Nine-Power Treaty. A dispatch from London published in the North-China Daily News on April 25 said that a statement by H. Saito, Japanese Ambassador in Washington wherein he said that Japan would regard it as an "unfriendly act" if foreign nations ignored her declaration, had created a serious situation somewhat similar to that in 1924 when Ambassador Hanihara threatened "grave consequences," in connection with the passage of the Japanese exclusion law. Dispatches from various world capitals on April 25 said that China's diplomats abroad had initiated a move for convoking a meeting of the powers which signed the Nine-Power Treaty.

THE so-called "crisis of 1935-1936" which the Japanese military elements have been exploiting as a means of maintaining their predominant position in domestic politics in the island empire, may become an actuality much sooner than predicted as a direct result of Japan's declaration of a protectorate over China. As expected the Japanese declaration which was put out by the spokesman of the Tokyo foreign office on April 17 has stirred up an international furore, but as yet there is little or no evidence that the Powers will go any further at the present than verbal declarations. The reason for this is the existence of complicating elements in the politics of Europe which, up to the present at least, have prevented the United States and the European powers from taking concerted action against the Japanese. In this connection one is inclined to agree with the statement of the *Daily Herald*, British labor organ, "The Japanese government is always quick to seize an opportunity provided by complex situations elsewhere than in the Far East. Japan's latest challenge will not be taken up because the other powers are too busy, too indifferent or too complacent . . . . Tokyo's latest claim is the biggest step hitherto towards the reduction of China to the status of a Japanese protectorate. It flagrantly attacks China's political independence, which is not only guaranteed by the Nine-Powers treaty, but which other League powers have sworn to preserve. But they will do nothing. French devotion to the principles of the League Covenant is strictly reserved for use against Germany, while Sir John Simon remains convinced that the penetration of China is Japan's historic mission . . . . International law and the League of Nations will once again be quietly set aside."

But before considering the international phases of the situation which are intimately concerned with the forthcoming 1935-1936 armament conference, it is of special interest to examine into the chain of events which led up to the fateful Japanese declaration of April 17. In the first place it seems to be generally accepted that the Japanese declaration was precipitated by the prospect of a further attempt on the part of the League to extend assistance to China. The special committee which was appointed by the League Council after the adoption of the Lytton Commission's report is scheduled to meet in Geneva on May 15 upon which occasion Dr. Ludwig Rajchman and other technical experts are expected to make their report and present a plan for international cooperation with China. Since the Lytton Commission's report denounced Japanese activities in China's northeastern provinces, the Japanese naturally expect that any plan for extending technical assistance to China which would involve foreign financing, might conceivably be detrimental to the Japan's schemes for controlling China. The Japanese undoubtedly were fully advised regarding recent discussions wihch have taken place in Nanking between Dr. Rajchman, head of the League technical commission, and the Chinese authorities, hence the Japanese military leaders and their political and business associates who are interested in controlling China have taken this daring step as a means of breaking up the China-League plan for technical collaboration.

While the Japanese declaration on April 17 had the effect of a thunderbolt in foreign offices over the world, there were plenty of previous indications in the Japanese press that a crisis was impending. On April 11 and 13 the Japanese newspapers published reports that the Tokyo military authorities had made certain proposals to the Saito Cabinet pertaining to foreign policy and national defence. Whether the resignation of Gen. Senjuro Hayashi as minister of war and his later decision to remain in office had any connection with the subject is not known, but a *United Press* report from Tokyo on April 13 said that the army had presented several demands to the Cabinet upon which an immediate decision was requested. One of these demands was for a clear-cut declaration of policy on Manchukuo and Sino-Japanese issues. Two days earlier the *Asahi* reported that the views of the war minister which had been presented to the Cabinet concerned diplomacy, the present dispensation in Manchuria and national defence, but of outstanding importance was the Manchurian issue.

Of particular interest in this connection was the matter of still further increasing the powers of the commander-in-chief of the Kwantung army, Gen. Takashi Hishikari, by placing him at the head of the South Manchuria railway. This action has been responsible for the coinage of the expressive term "Four-Headed-Manchurian-Monster," referring to Gen. Hishikari's four positions as Commander-in Chief of the Kwantung army, Ambas-

sador to Manchukuo, Director-General of the Kwantung Leased Territory administration and now Chief Director of the Japanese government-controlled South Manchuria railway which, as a result of the Japanese seizure of the Chinese lines, now has under its administration more than 3,000 miles of Manchurian railways.

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But to get back to the Japanese declaration of April 17, the *Asahi* reported that the Japanese minister to China, Akira Ariyoshi has held a conference at Shanghai with Gen. Huang Fu, head of the Peiping political readjustment committee, at which the matters of establishing direct railway and postal communications with Manchukuo had been discussed. But according to the *Asahi* the discussions were much broader than mere matters of railway and postal communications with Manchukuo and also involved the issue of the Chinese tariff on Japanese goods, the matter of China's defaulted debts to Japan and innumerable other issues which only could be solved by direct negotiations between Japan and the Nanking government. A repport in a *Rengo* message published in the *Japan Times* on April 18 alleged that there are some 1,500 items on the list of Japanese charges against China which must be settled. However, according to the *Asahi*, Japan is not disposed to settle all of these items "in a hurry," but is disposed to await a favorable change in China's attitude toward Japan. Then followed the following significant paragraphs in the *Asahi* which paper is supposed to reflect the policies of the present Japanese government:

> "The Nanking Government has hitherto shunned direct negotiation with Japan, and has been bending its energies to devices calculated to restrain Japan. With this end in view, it concluded the cotton and wheat loan with America and sought the technical aid of the League of Nations. China's efforts in these matters have not been very successful, however. The cotton and wheat loan has proved a failure, on the whole, while the League's technical aid has made little progress. Dr. Rajchmann, especially sent to China by the League, is now returning to Geneva, apparently with his mission unfulfilled.
>
> "In the meantime, the Japanese Government has become more strongly convinced that any aid that has been extended by the Powers and the League of Nations to China has rather proved prejudicial to the maintenance of peace in the Far East. Armed with this conviction, the Japanese Government has made up its mind to shape and pursue towards China a policy based on its independent views.
>
> "That is to say, recognising that the Powers' and the League's help to China threatens to open the way for international control of China, Japan means to establish a firm policy towards China, which leaves no room for the interference of the Powers and the League. Such an attitude, the Japanese Government thinks, is quite proper for a country which has the responsibility of maintaining peace in the Far East. Japan will stoutly uphold her position of leader in the Far East, and even indicate to China the foreign policy which she should adopt hereafter. Japan's policy towards China is about to undergo an important change along these lines."

In view of these statements in the press and a preliminary declaration by the foreign office spokesman on April 9, that Japan was against any scheme for international cooperation in China and that Japan even would reject any proposal that Japan herself participate in such cooperation, there naturally was no surprise in Japan when the momentous declaration was made on April 17 to the following effect.

> "Japan is in a position to do her best to carry out her mission in the Orient, and though there may be a divergence of opinion between the position of Japan and that of other nations towards China, such as led to Japan's withdrawal from the League of Nations, nevertheless Japan deems it natural to maintain peace in the Orient by herself, and on her own responsibility.
>
> "She also will share simultaneously with China the responsibility in maintaining peace and order in the Orient.
>
> "In view of the fact that the restoration of order in China depends on China herself, Japan cannot help opposing any of China's measures which might be contrary to peace in the Orient.
>
> "Furthermore, Japan will be forced to object to any measures on the part of other Powers, which are likely to lead to disturbance of peace in the Orient.
>
> "For example, the providing of China with military instructors, and the giving of political loans are among the measures which are doomed to be met with opposition from Japan.
>
> "We deem it necessary to clarify Japan's position towards China upon hearing of the proposed joint assistance of other Powers to China."

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Since the Japanese, directly and indirectly, had been engaged in conversations in some form or other with the Chinese authorities for a considerable period prior to the Japanese declaration of April 17, it is also of value to examine the sequence of events on the Chinese side prior to the Japanese declaration. And in this connection it is impossible to overlook the significant fact that Sino-Japanese reactions with respect to the Japanese declaration of hegemony over China have generally followed the developments which accompanied the presentation of the Japanese Twenty-One Demands upon China in 1915 when the rest of the world was involved in the great war. As a matter of fact the Twenty-One Demands were written by Koki Hirota the present Japanese foreign minister. The Southwestern Kuomintang Committee at Canton issued a declaration on April 14 charging that Huang Fu, head of the Peiping political readjustment committee was acting as an agent for the Japanese authorities in attempting to force the resumption of railway and postal communications between north China and Manchukuo. The Cantonese also charged that the Japanese political and military pressure upon north China were being exerted with the full knowledge and consent of Huang Fu who was using Japanese influence as a means of establishing his own position in north China, or possibly in the central government at Nanking.

In view of these charges from Canton it is of interest to examine the reports which have appeared in the Japanese newspapers regarding Huang Fu's activities. The Japanese Consul-General, Mr. Yokoyama, stationed in London, declared *(Havas)* on April 21, "We know that all officials in north China, with Gen. Huang Fu

at their head, agree with us. But unfortunately, these views are contested by the greater part of south China." On April 15 the Nanking correspondent of the *Osaka Mainichi* sent a dispatch to his newspaper which read as follows: "Having obtained vast power in the management of affairs in north China, Huang Fu, chairman of the Peiping political readjustment committee, is expected to open new ways for closer economic relations with Japan. It is believed by well informed observers that Huang will approach the Japanese financiers with the proposal that they invest their capital in the economic rehabilitation of north China. Mr. Wang succeeded at the Nanchang conference in obtaining the understanding of Gen. Chiang Kai-shek and Wang Ching-wei regarding his policies in the management of north China." The reference to Huang Fu's alleged dealings with Japanese financiers was of special interest in connection with reports in the local Shanghai newspapers telling of the arrival here of a number of prominent Japanese financiers including K. Uchida, representative of the Japanese Creditors Corporation for China; Mr. Takayama, president of the Oriental Development Corporation, and T. Sogo, an influential director of the South Manchuria railway from Dairen. Along with the arrival of these gentlemen were reports in the Japanese press of Japanese offers to finance various railway construction projects in north China designed to link up more closely both north China and Inner-Monoglia with the puppet state of Manchukuo. The *Osaka Mainichi's* correspondent at Shanghai, Tsuyoshi Murakami, reported to his paper on April 18 the following interview with Huang Fu, "Gen. Chiang Kai-shek and Wang Ching-wei, president of the Executive Council, promised to give their support to what I recommended at the Nanchang conference for the solution of outstanding problems in north China. I made a report to Gen. Chiang and Mr. Wang on the affairs in north China for the past six months and they agreed to my proposals about the questions of through railway traffic and through mail transportation at Shanhaikwan, and the establishment of customs houses at such places in north China as Shanhaikwan and Kupeikow. I understand that the Legislative Council is opposed to the settlement of these questions, but its stand is opposition for the sake of opposition. . . . But the report that the authority of the Peiping Political Council has been extended as a result of the Nanchang conference is wrong. My authority is the same as hitherto and in consequence I find myself in difficulties. As an individual, I should like to resign, but as an official most concerned with the 'peace of Eastern Asia' I cannot do so and I hope our people will entrust the affairs of north China to me for the time being." On April 18 the *Japan Times* (Tokyo) published a *Rengo* dispatch from Shanghai which also quoted Huang Fu as stating that both Chiang Kai-shek and Wang Ching-wei had promised him their support with respect to the settlement of outstanding Sino-Japanese issues in north China. In this connection Huang Fu stated that he had received more than 1,500 demands and proposals from Japanese military and businessmen for adjustment. Mr. Huang stated further that upon his return to Peiping there would be a shake-up in the personnel of the north China administration, to which the *Rengo* correspondent added the comment, "Events are expected to move swiftly in north China with his return." Another *Rengo* report which appeared in the *Japan Chronicle* (Kobe) from Shanghai, dated April 13, in referring to the Huang-Chiang-Wang conference at Nanchang said, "It was necessary to consider the Japanese demands as far as possible as a matter of diplomatic policy with regard to the postal and railway questions. At the same time it was equally incumbent upon them to give no lever to the factions inimical to them to denounce their weak-kneed policy, no matter of how fair Japan's demands, based upon the spirit of cooperation, should be found to be. . . . One false step and an upheaval was likely within the ranks of the Nanking government."

On April 18, the spokesman of the Tokyo foreign office, in amplifying his declaration of the previous day pertaining to the "peace of Asia" declared that there was no connection between the Japanese declaration and the conversations in Shanghai between Gen. Huang Fu and Akira Ariyoshi, Japanese minister.

The spokesman of the Nanking Foreign Office on April 21 issued a declaration denying allegations of the Tokyo Foreign Office that China had prior knowledge of the Japanese statement of policy and had acquiesced in it. Nanking characterized the Japanese allegation as a "baseless fabrication designed to lesson the opposition of the Powers," and declared that the Japanese statement was more of a surprise to China than it had been to other nations.

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Nothing which has occurred in the Far East since Japan's original invasion of Manchuria in 1931 and the Shanghai bombardment of 1932 has aroused so much newspaper and foreign office comment as Japan's latest declaration pertaining to her hegemony or self-asserted leadership over Asia. Also, it is correct to say that nothing which Japan has stated in further explanation or amplification of her original announcement of April 17 has served to allay the anxieties of China and the foreign Powers. Koki Hirota, Foreign Minister, quickly announced (April 18) that Japan had no intention of ignoring her treaty obligations or interfering with the Open Door, but despite this there is no misunderstanding the implications of the Japanese declaration, particularly the statements issued by Japanese diplomatic officials abroad. For example, Hiroshi Saito, Ambassador to the United States declared on April 23 that Japan "does not wish to prejudice China's interests and sincerely desires China's integrity, unity and prosperity, such desires to be obtained through the awakening of China itself. . . . also there is no intention on the part of Japan to prejudice the interests of other powers in China or of preventing

economic contacts beneficial to China . . . in fact Japan welcomes such contacts as Japan does not want to see China act in violation of the Open Door . . . But at the same time Japan feels she should be consulted by the foreign powers regarding their transactions with China, because Japan regards hereself in a better position than any other power to correctly interpret the potential commercial and other relations between China and the rest of the world."

Also, of equal significance was a somewhat broader statement issued by Masayuki Yokoyama, Japanese Consul at Geneva to the general effect that Japan is the natural defender of the peace in eastern Asia and intends to oppose any aid to China which might be harmful to Japanese interests, in other words Japan does not intend to permit the League or any other interested powers to lend any help to China which might be harmful to Japanese interests . . . Japan's declaration was an amicable warning to the powers interested in China not to give China the means of troubling Far Eastern peace . . . Japan has no objection to the principle of the League's technical cooperation with China so long as it is not employed politically against Japan . . . the declaration means above all, to affirm Japan's firm intention to assume responsiblity for events in Eastern Asia in close collaboration of the Asiatic Powers . . . meaning Japan, China, India, Siam, Manchukuo and the Philippine Islands." When questioned as to how Japan intended to apply her "hands off" policy, Consul Yokoyama was unable to reply, but expressed the hope that Powers intending to help China "would first consult Japan . . . then we will tell them whether we think it good or bad."

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Since the original Japanese declaration was issued through the Foreign Office spokesman in unofficial or informal fashion, the foreign powers were somewhat at a loss how to regard it. According to the report which appeared in the *Japan Advertiser* on April 18 the declaration was not issued at the regular press conference which is held at 11 o'clock on Mondays, Wednesdays and Fridays, but was distributed to the newspapers and press associations through *Rengo* service and was carefully labeled "unofficial." As a result of this method of handling the matter, the first information which the foreign governments received was in the form of dispatches from Tokyo which appeared in the newspapers over the world. This necessitated cables to the various foreign ambassadors stationed in Tokyo for further information and verbatim copies of the declaration. But regardless of the informality or 'unofficial" nature of the momentous declaration there was proof in abundance that Japan's action was premeditated for all of the Japanese ambassadors, ministers and consuls abroad had been provided beforehand with official statements to be issued simultaneously. According to a *Reuter* report from London on April 23 the British Government was the first to send Japan an official communication requesting a clarification of the declaration and also, according to the report, re-affirming Britain's position with respect to the Nine-Power treaty which guarantees the territorial and administrative integrity of the Chinese Republic. It was stated that thus far the British government has not received any further direct notification from Japan on the subject.

But whether the communication was official or unofficial, there is now no denying the fact that it constitutes a complete violation or scrapping of the Nine-Power Treaty which was adopted at the Washington Conference and which was designed to stabilize conditions in the Far East, safeguard the rights and interests of China, and promote intercourse between China and the other Powers upon the basis of equality of opportunity. In order that there may be a full realization of the import of the Japanese declaration it is well to quote the relevant paragraphs of the Treaty which was signed at the Washington Conference on Feb. 6, 1922 by the official representatives of the United States, Belgium, the British Empire, China, France, Italy, Japan, the Netherlands and Portugal:

Article I

"The contracting powers, other than China, agree:

1—To respect the sovereignty, the independence, and the territorial and administrative integrity of China;

2—To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government;

3—To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

4—To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly states, and from countenancing action inimical to the securtiy of such states.

Article II

"The Contracting Powers agree not to enter into any treaty, agreement, arrangement, or understanding, either with one another, or, individually or collectively, with any Power or Powers, which would infringe or impair the principles stated in Article I.

Article III

"With a view to applying more effectually the principles of the Open Door or equality of opportunity in China for the trade and industry of all nations, the Contracting Powers, other than China, agree that they will not seek, nor support their respective nationals in seeking—

a—any arrangement which might purport to establish in favor of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China;

b—any such monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in China, or, of participating with the Chinese Government, or with any local authority, in any category of public enterprise, or which by reason of its scope, duration or geographical extent is calculated to frustrate the practical application of the principle of equal opportunity.

Article IV

"The Contracting Powers agree not to support any agreements by their respective nationals with each other designed to create Spheres of Influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territory.

Article VI

"The Contracting Powers, other than China, agree

fully to respect China's rights as a neutral in time of war to which China is not a party; and China declares that when she is a neutral she will observe the obligations of neutrality.

Article VII

"The Contracting Powers agree that, whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application, there shall be full and frank communication between the Contracting Powers concerned."

When Japan's activities in Asia since 1931 and including her latest declaration are considered in the light of the provisions of this treaty, it is plain even to a schoolboy, that the Nine-Power Treaty has been completely emasculated. As a matter of fact the original intervention at Mukden and later setting up of the puppet state constituted a flagrant violation of practically every essential provision of the Treaty, hence the latest Tokyo declaration constituted the finishing touch or complete nullification of the entire document, which constituted one of the main props of the disarmament agreements which are entered into at the Washington Conference.

Elsewhere in this issue of *The Review* appears an article by C. Y. W. Meng which states that there are strong rumors in circulation in political circles in Nanking to the effect that all of the commotion about the resumption of mail and railway communication between north China and Manchukuo which was stirred up by Gen. Huang Fu, has served as a camouflage for much more serious developments in the background. These developments, according to Mr. Meng, constitute an attempt on the part of the Japanese, acting through Gen. Huang Fu, to force China into some form of military alliance against Soviet Russia which would permit Japan to use north China as a base for military activities against the Soviets through Chahar, Inner-Mongolia and Sinkiang, utilizing the existing and further projected railways, as a means of out-flanking the position of the Soviet armiees which are strongly entrenched on the Siberian side of the Russo-Manchurian border. If this allegation is correct, as strongly suspected in high political circles in Nanking, it constitutes a further flagrant violation of Articles II and VI of the Nine-Power Treaty pertaining to China's position as a neutral and as such, if correct, probably would be regarded by the Soviets as provocation for war. The situation therefore has tragic aspects much more serious than the mere matter of cutting China off from financial and economic contact with other nations as implied in the Tokyo declaration of April 17.

The natural question is, "What will the Powers do about it?" Based on what has occurred with respect to the Manchurian issue, China is fully justfied in her feeling that nothing will be done. According to spokesmen of the League as quoted in *Reuters* reports of April 19, Japan's declaration was regarded as a "logical outcome of Japan's striving towards hegemony in the Far East which led the island empire constantly to oppose the efforts of the League in the direction of technical cooperation with China and, more especially, foreign loans . . . it will be remembered that Japan protested in May, 1931, prior to the Manchurian intervention, at the very outset of the proposals for collaboration between the League of Nations and China . . . . It is felt that the Japanese declaration implies a policy of a closed door in China with an eventual monopoly of Japanese rights as the fruit of the Manchurian adventure leading Japan ever onward . . . . League circles hope that the position in the Far East will strengthen the Soviet's desire to join the League of Nations.'"

Chief interest naturally is concerned with the possible reactions in the United States which nation "fathered" the Washington Conference and for many decades has been the outstanding supporter of the Open Door doctrine. For this reason it has been interesting to observe Japan's studied attempts to dispel American misgivings. A report through the French *Havas* service from Washington on April 21 stated that Ambassador Saito had informed the State Department that Japan's declaration was not to be regarded as a protest against the sale of American airplanes to China, or against the training of Chinese pilots by American instructors. This news report also contained a significant disclosure that the Japanese Minister, Mr. Ariyoshi, while in Nanking last week had acutally presented to the National Government a copy of the memorandum which was issued in Tokyo on April 17, something which both Ariyoshi and Wang Ching-wei denied in their statements issued to the press in Shanghai upon Ariyoshi's return to this city from his Nanking visit.

According to messages from Washington through *Havas* service quoting official and unofficial views of administration leaders the Japanese declaration had the initial effect of completely nullifying any hopes for peaceful solution of the Far Eastern crisis which had been built up as a result of the exchange of the Hirota-Hull notes a few weeks previously. Washington has therefore adopted a pessimistic attitude regarding the whole situation and is inclined to view the Japanese declaration as a renewal or continuation of Japan's ambitions of 1915 when she presented the infamous Twenty-One Demands to China. It was stated that Japan's latest declaration is likely to have far-reaching results in the future policies of the principal powers. Since the United States strongly protested the Twenty-One demands in 1915 it is likely that Japan's latest move will provoke even stronger opposition on the part of the American government which always has absolutely opposed the usurpation by any nation of special privileges in China. The message also stated that American officialdom could see little resemblance between Japan's so-called "Monroe Doctrine of the Far

East and the original Monroe Doctrine which precluded the possibility of American hegemony anywhere in the world, but provided for the protection of the nations of North and South America against ambitious European Powers interested in extending their colonial empires in that direction. According to a *United Press* message officials of the State Department as well as members of Congress "viewed with grave apprehension, tinged by some regret and disappointment, the pronouncements of the Japanese Foreign Office indicating Japan's intention to control Chinese affairs and those of other Asiatic countries in the interests of 'peace in the Far East.' Senator Arthur R. Robinson, member of the Foreign Relations committee said that the Japanese move "constituted a renewal of Japan's aggression and is a threat to peace in the Pacific . . . the policy is unjustifiable and is particularly disturbing in view of the recent exchange of notes between Koki Hirota, Japanese Foreign Minister and Cordell Hull, Secretary of State. Senator William E. Borah, former chairman of the Foreign Relations committee declared that the United States, "having insisted for may decades upon an open door now opposes any policy closing it." Newspapers throughout the United States were uniformly critical and editorial opinion expressed regret that the Japanese pronuncement "inopportunely counters the trend in the United States toward restoration of confidence in the Pacific situation resulting from the recent Hull-Hirota interchange of notes, departure of the American fleet from the Pacific, the recent tour of Japanese leaders in the United States and other evidences that Japan had wanted to improve her friendly relations with the United Stated." It was also stated that there was "bewilderment and pessimism in high naval circles where high-ranking officers and naval experts considered the prospects for constructive results from the next Naval Disarmament as seriously impaired by the disturbed public opinion. "Finally it was pointed out that the United States Government had sent no advisers to the Chinese Government nor had it sold any airplanes or other military equipment to China. American concerns have been and are selling aviation equipment to China on a commercial basis the same as has been sold to the Japanese Government. The United States Government cannot under existing laws prohibit American citizens from acting as flying instructors in Japan, China or anywhere else, nor can it prohibit private concerns from selling their manufactures, airplanes or anything else, to whomever they wish.

In much of the newspaper comment in both the United States and Great Britain there were suggestions that the two countries should confer on the subject looking to possible joint action against Japan. The *United Press* stated that officials of the State Department "would welcome cooperation between United States and Great Britain in opposing Japan's attempts to dominate China's foreign policy, however such concerted action by the two powers at the present time must arise from the simultaneous development of public opinion in the two countries, or by Britain's approach, in view of Britain's greater commercial interests in China." The *Manchester Guardian* in an editorial, supported the view of Viscount Cecil that the League of Nations should "tell Japan plainly that, if she touches China the League will proceed against her . . . . the wretched precedents of 1931 and 1932 must not be followed. Never has there been a better chance for realization of unity among the Powers, not only at Geneva but also outside of it . . . . In 1932 we lost the opportunity of cooperating heartily with the United States. Both Great Britain and America desire only independence, prosperity and strength for China. The opportunities for cooperation should not be lost again."

The *Japan Chronicle*, British paper published at Kobe, has been most outspoken in calling the attention of the Japanese Government to the dangers involved for Japan in the new diplomatic move. Referring to Japan's opposition to League technical assistance to China the paper declared, "That Japan may for the moment refuse cooperation in China is not astonishing. That she would adopt an open policy of opposition to the efforts of the other Powers, however, is incredible. At most Japan might watch unsympathetically, herself concentrating on assisting the development of Manchukuo. If all that needs doing in Manchukuo is attended to, there will be no surplus either of money or brains left over for China. Whatever opinions may be held on the Manchurian affair, Japan has gone too far along the road to draw back, even if she wanted to. And only by generous assistance in the industrial field, as well as administrative, can Japan justify, even to herself the original intervention which contributed to the formation of the new state. It is a gigantic task, which by itself would excuse Japanese participation in the reconstruction of the Chinese Republic, though it might have been thought that prestige would have dictated the desirability of at least a formal role in any cooperative effort. Apparently not. It is true that no such movement has yet reached concrete shape, but there is the flat assertion of the Foreign Office spokesman that if the movement does in fact exist, and Japan is invited to take part, the response will be negative." On April 20, following the issuance of the Japanese "hands off" declaration the *Chronicle* declared, "If, in issuing the unofficial statement on the Government's China policy, the intention of the Foreign Office was to secure the world's reaction, the manouver has been eminently successful." After reviewing the contents of the Japanese declaration the *Chronicle* inquired in effect, "What next?" and then after examining the recent activities of Gen. Huang Fu and his conferences with Ariyoshi at Shanghai and the reports published in the Japanese newspapers about cooperation between China

and Japan, the paper declared, "From whatever angle it is viewed, the conclusion is inescapable that this pronouncement of policy heralds the breaking up of the Nine Power Treaty. Japan's new policy constitutes a breach of all these clauses, as it does also of Articles Two and Three, in which the principle of the Open Door is reaffirmed, and in which the Power go on record against "any monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in Japan, or of participating with the Chinese Government, or with any local authority, in any category of public enterprise." It is in Article Three that China also undertakes to be guided by the same principles, so it is clear that even if the Japanese policy meets with the approval of Nanking, it still constitutes a breach of the Treaty. The breach is so flagrant that the Foreign Office does not attempt to justify the action it has heralded, while the Army authorities, who usually succeed in raking up some sort of a case, are reduced to expressing their opinion that the Treaty is ill-suited to present conditions in China, and hence harmful to the preservation of peace in the Orient. Obviously there are dangerous possibilities inherent in any attempt to translate this expression of policy into action. It is impossible to visualise the Powers acquiescing in Japan's Asiatic Monroe Doctrine, or agreeing to trade through a half closed door. There is no reason on earth why America, Italy, Britain and the rest of the Powers should not sell China anything China wants to buy, even military aeroplanes. No anti-Japanese feeling enters into this simple matter of business. After all, half Europe relies for defence on British made machines, while Japan herself is a constant purchaser. It is quite certain that serious consultations between the Powers will follow what can only be described as an audacious attempt to see just how much it is possible to get away with. Perhaps that blessed word "unofficial" will yet save the day."

Full Text of Tokyo "Hands Off" China Statement

The following is an English translation of the now-famous "hands-off-China" statement made by the spokesman of the Japanese Foreign Office on April 17, which aroused perturbation in all the leading capitals of the world.

"Owing to the special position of Japan in her relations with China, her views and attitude respecting matters that concern China may not agree in every point with those of foreign nations; but it must be realized that Japan is called upon to exert the utmost effort in carrying out her mission and in fulfilling her special responsibilities in East Asia. Japan has been compelled to withdraw from the League of Nations because of their failure to agree in their opinions on the fundamental principles of preserving peace in East Asia. Although Japan's attitude toward China may at times differ from that of foreign countries such difference cannot be evaded, owing to Japan's position and mission.

Tokyo's Responsibility

"It goes without saying that Japan at all times is endeavoring to maintain and promote her friendly relations with foreign nations, but at the same time we consider it only natural that, to keep peace and order in East Asia, we must ever act alone on our own responsibility and it is our duty to perform it. At the same time, there is no country but China which is in a position to share with Japan the responsibility for the maintenance of peace in East Asia.

"Accordingly, unification of China, preservation of her territorial integrity, as well as restoration of order in that country, are most ardently desired by Japan. History shows that these can be attained through no other means than the awakening and the voluntary efforts of China herself.

Outside Influence

"We oppose therefore any attempt on the part of China to avail herself of the influence of any other country in order to resist Japan; we also oppose any action taken by China, calculated to play one power against another. Any joint operations undertaken by foreign powers even in the name of technical or financial assistance at this particular moment after the Manchurian and Shanghai Incidents are bound to acquire political significance. Undertakings of such nature, if carried through to the end, must give rise to communications that might eventually necessitate discussion of problems like fixing spheres of influence or even international control or division for China which would be the greatest possible misfortune for China and at the same time would have the most serious repercussion upon Japan and East Asia.

"Japan therefore must object to such undertakings as a matter of principle, although she will not find it necessary to interfere with any foreign country negotiating individually with China on questions of finance or trade, as long as such negotiations benefit China and are not detrimental to the maintenance of peace in East Asia.

War Supplies Hit

However, supplying China with war planes, building aerodromes in China and detailing military instructors or military advisers to China, or contracting a loan to provide funds for political uses, would obviously tend to alienate the friendly relations between Japan and China and other countries and to disturb peace and order in East Asia. Japan will oppose such projects.

"The foregoing attitude of Japan should be clear from the policies she has pursued in the past, but, on account of the fact that positive movements for joint action in China by foreign Powers under one pretext or another are reported to be on foot, it is deemed not inappropriate to reiterate her policy at this time."

Senator Quezon Warmly Greeted in Shanghai

Senor Manuel Quezon, Senate President of the Philippine Islands, and a group of other prominent Filipino leaders spent several days early this week in Shanghai, enroute to Manila after a visit to Japan where they went recently to meet the delegation of Filipino representatives who went to Washington D.C. to plead for independence. Dr. H. H. Kung, head of the Pan-Pacific Association of China, was host at a private reception given to Senor Quezon April 23. Mayor Wu Te-chen entertained Senator Quezon and his party at an official dinner April 25 on which date the tiffin meeting of the Pan-Pacific Club of China at the Astor House had the Senator as its guest of honor.

British Lord Recommends Japan to Use More Propaganda

A recent Seoul dispatch to the Osaka *Asahi* stated that Lord Thomas Newton, former British Under-Secretary for Foreign Affairs had arrived in Korea after completing his inspection of conditions in Manchukuo. He is quoted as having told General Ugaki, Governor General of Korea, that China is an adept propagandist. In Western countries, China's propaganda has been eminently successful, he said; he suggested that Japan should direct greater effort to propaganda work in future.

Unemployment Relief Is Discussed by Shanghai Group

The Study Group on Unemployment Relief assembled at the Shanghai Community Church April 19, with J. E. Baker, chairman. The subject of unemployment was discussed at length in its various phases. George Kerr in his introductory remarks mentioned that one of the causes of unemployment among foreigners in Shanghai was the influx of western educated Chinese, many of whom were doing as good or better work than foreigners and assuredly for less pay. C. D. Meinhardt discussed unemployment as affected by immigration. Practical details such as requirements for clothing, etc. were discussed by Mrs. W. H. Staats. Addresses were also made by Mrs. W. P. Lyon and C. L. Boynton. Dr. J. C. McCracken, A. R. Hager, Major W. Darby, Miss Parkins and C. Metzler took part in discussing various angles of the unemployment situation.

Nanking Rejoinder to Tokyo Note Repudiates Japan's Claim of Hegemony in Asia

HIGH-LIGHTS IN THE EVENTS OF THE WEEK:

1.—Nanking Replies to Japanese Statement.
2.—Communists Resume Activities in Fukien.
3.—Mongolian Political Council Inaugurated April 23.
4.—Tibetan Delegation Arrived at Nanking from Lhasa.
5.—Liu Kwei-tang rebels again enter Shantung.

COMMENTING on the statement issued by the Japanese Foreign Office on April 17, a spokesman of the Ministry of Foreign Affairs on April 19 said:—

"China is always of the opinion that international peace can be maintained only by the collective efforts of all members of the family of nations. Especially is it necessary for nations to cultivate a genuine spirit of mutual understanding and remove the fundamental causes of friction in order to establish durable peace among them. No state has the right to claim the exclusive responsiblity for maintaining international peace in any designated part of the world.

"Being a member of the League of Nations, China regards it as her duty to promote international co-operation and achieve international peace and security. In her endeavor to attain these ends, she has never harbored any intention of injuring the interests of any particular country, far less causing a disturbance of peace in the Far East. China's relations with other nations in this regard have always been of such a nature as should characterize the relations between independent and sovereign states.

"In particular, China desires to point out that the collaboration between herself and other countries, whether in the form of loans or in the form of technical assistance, has been strictly limited to matters of a non-political character, and that the purchase of such military equipment as airplanes and the employment of military instructors and experts have been for no other purpose than national defense, which chiefly consists in the maintenance of peace and order in the country.

"No nation which does not harbor any ulterior motives against China need to entertain any fears concerning her policy of national reconstruction and security.

"In regard to the situation now existing between China and Japan, it should be emphasized that genuine and lasting peace between the two countries—as between any other countries—should be built upon foundations of goodwill and mutual understanding; and that it would go a long way towards the laying of such foundations when the existing unfortunate state of affairs could be rectified and when the relations between China and Japan could be made to rest on a new basis more in consonance with the mutual aspirations of the two countries."

Characterizing as most absurd the "New York Herald Tribune's Tokyo report alleging that "Reliable quarters" indicated Japan's new statement of policy had received Chinese Government leaders' acquiescence before the Tokyo Foreign Office publication, a spokesman of the Ministry of Foreign Affairs denied most emphatically on April 21 that the Chinese Government had any knowledge of the contents of the Japanese statement before its publication on April 17th and, still less, had acquiesced in it.

According to the spokesman, the announcement of the baseless doctrine of Japanese hegemony over Asia came just as much, if not greater, as a shock to China as it was to other nations of the world.

"To believe that the Chinese Government could acquiesce in such a doctrine enunciated by Japan is no less absurd than to believe that a man could acquiesce in his own destruction. Evidently the object of fabricating and spreading such rumors is to make the world believe that China has already agreed to the Japanese course of action, thereby seeking to lesson opposition from the Powers. Fortunately or unfortunately, the world has learned to know Japan too well since the Manchurian affair to give credence to such a fantastic tale."

T. V. Soong Says "None of Japan's Business"

While declining to comment extensively on the Japanese statement, T. V. Soong, former Minister of Finance and now member of the Standing Committee of the National Economic Council, made the following statement to the Chinese press on April 20:

"It is none of Japan's business if China chooses to pursue the policy of technical collaboration with the League of Nations or accept international assistance for national reconstruction and defense."

Mr. Soong left Shanghai for Nanking April 22 to start his trip of investigation to the Northwest. He announced prior to his departure that the capital of $10,000,000.00 of the China Development Corporation has been fully subscribed and that it will be officially established after his return from the trip.

In view of official Japanese insinuations that the proceeds of the American wheat and cotton loan were being used for "*military and political*" purposes, Dr. H. H. Kung, Minister of Finance, in a statement issued through the *Kuo Min News Agency* April 22 declared that the proceeds were to be devoted entirely to productive purposes. Appropriations of the proceeds to date have been, Dr. Kung said, as follows:

$1,800,000 for repatriation of farmers in the communist bandit-affected areas of Kiangsi;

$300,000 for relief of famine in Szechuan; and

$4,000,000 for reconstruction work of the National Economic Council.

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In view of the gravity of the situation in North China, Wang Ching-wei, President of the Executive Yuan and concurrently Minister of Foreign Affairs, appeared before a secret session of the Legislative Yuan April 20 to report on the latest developments in the Sino-Japanese situation. His speech, which lasted for over an hour, dealt manly with (1) the diplomatic situation before the enthronement of Pu Yi as the puppet Emperor of "Manchukuo," (2) the situation after the enthronement, (3) the results of the Nanchang conference, and (4) the Government's policy in coping with the situation.

With reference to the question of resumption of railway traffic and postal communication with Manchuria, President Wang said that whatever pressure the Japanese might use, the Government would not deviate from its settled policy. He also intimated that the Government had flatly refused to discuss these questions. President Wang stressed the fact that final decision regarding the Sino-Japanese questions rested with the Central authorities, and the Executive Yuan would merely carry out the decisions of the Central authorities.

Referring to the rumors of expansion of the Peiping Political Affairs Committee, President Wang pointed out that this Committee was entirely temporary in nature and would be abolished as soon as the need for it ceased to exist. He said that the Government had so far received no proposals for an extension of the powers of the Committee.

According to a *Chekiai* telegram from Nanking, April 20, sentiments of gratification and satisfaction dominated that morning's session of the Legislative Yuan, when President Wang Ching-wei of the Executive Yuan made a detailed report on China's foreign relations, with particular reference to the present Sino-Japanese situation.

After replying to questions submitted him by members of the Legislative Yuan, President Wang declared that no changes have been made and none is being contemplated in the Government's policy with regard to China's relations with Japan. President Wang explained that the policy is based upon the fundamental principle of non-impairment of the sovereign rights of the country which has been consistently and strictly observed.

With reference to the re-establishment of postal and railway communications with the Northeastern occupied territories, President Wang said that although they had come up for discussion on several occasion, however no definite

decisions have yet been made. He added that the Government is ever mindful of the importance of these two matters, as any indiscret handling of them might imply *de facto* recognition of the puppet regime in Manchuria. In conclusion, President Wang assured members of the Legislative Yuan that the Government will never take any steps that may lead to such an interpretation.

General Huang Fu, Chairman of the Peiping Political Affairs Readjustment Committee, accompanied by his wife, arrived at Hangchow April 22. They have gone to Mokanshan for a fortnight's stay, after which they will return to Peiping.

Prior to his departure for Hangchow, General Huang called on T. V. Soong on April 19 and they had a long conference for two hours on questions concerning rural rehabilitation in the war area in North China as well as diplomatic issues.

In a telegram to the Northern authorities, General Huang categorically denied the statement attributed to him by a Japanese news agency that there would be drastic changes in the personnel of the Northern Provincial Governments upon his return to Peiping.

Commenting upon the situation in North China, General Yu Hsueh-chung, Chairman of Hopei, in a press interview, pointed out that the situation in North China would never be normal until the Japanese troops were entirely withdrawn in accordance with the Tangku Agreement.

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Up to date, the Hopei Provincial Government has received 20 reports on the secret activities of Japanese militarists who have been drawing maps and taking pictures in the Luantung Area; and a dozen reports concerning the installation of long-distance military telephones in the "demilitarized zone." The Japanese military have already completed the installation of long-distance telephone service between Luanchow and Tsienan and between Malanyu and Hsinglung district. A telegraphic despatch from the district magistrate of Tsienan reports the arrival of several hundred Japanese artillery units from Luanchow.

Japanese aeroplanes are making daily flights over eastern Chahar and are distributing coloured pamphlets from the air advising the people to join Manchoukuo, according to a Peiping telegram April 20. General Sung Cheh-yuan is now in eastern Chahar inspecting the conditions in that region.

According to a *Chekiai* telegram from Nanking April 17, Japan has recently established a great espionage organization at Tientsin known as International Secret Service Headquarters. The main functions of the new organizations are to spy on international secrets and intrigues affecting Japan's program of expansion in Asia and to survey the geographical conditions in North and North-west China. The survey will include the Yellow River Valley, Inner Mongolia and Sinkiang and is to be conducted by Japanese Army officers disguised as tourists and pedlars. The recent visit of the Japanese officers to Shansi and Honan, according to the information, is really the initial step in this great espionage undertaking.

While the atmosphere in North China remains tense, Japanese troops conducted another large-scale maneuver in districts outside this city April 21. Early that morning, Japanese troops left the Japanese Concession in trucks and motor cycles. They stopped at Lutai, Linnan, Hsinan and Linting and staged elaborate sham battles.

Flatly denying the rumor that he was on a secret mission to Japan at the instance of General Huang Fu, Wang I-tang, Member of Peiping Political Affairs Readjustment Commission, who is now visiting Japan, said, according to a *Rengo* telegram from Moji April 22, that, in his private opinion, he thought the condition in North China will see a further improvement, if General Huang was empowered to use more of his influence.

As if acting in unison, all the leading papers in Paris commented at great length on the declaration of the Japanese Foreign Office, warning the Powers to keep their hands off China, with particular reference to the help rendered China by the United States, according to a *Chikiai* telegram from Paris April 19. The Papers advise greatest caution on the part of Japan, lest her actions become too provocative to the Powers interested in the Far East.

The "Intransigeant," a leading Parisian daily, states that the struggle for hegemony in the Pacific has now entered a new phase with America confronting the Japanese "Monroe Doctrine" in Asia. This may lead to a new race in naval armaments which is indeed a strangest prelude to the 1935 Naval Disarmament Conference.

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Fukien City Captured by Communists

According to a *China Press* telegram from Foochow April 22, Yungan, an important city in western Fukien, was captured by the Communists on April 20 after being besieged for ten days. The city was garrisoned by General Lu Hsin-pang's troops who put up a most heroic defense and yielded only after their numbers are almost decimated. The Military authorities are rushing reenforcements to other western Fukien cities which are facing capture by the Communists.

The Communist situation in northern Fukien has suddenly taken a serious turn following the arrival of Communist reinforcements from the west, according to *Reuter* Foochow report April 18. Chu Teh, the commander-in-chief of the Communist army, has arrived in northern Fukien from Kiangsi to direct operations in person against the Government forces in that region. Chu has established his temporary headquarters at Chianglo with the 1st, 3rd, 5th and 12th Red Army corps under his command. At the same time, Lo Ping-huei, a Red army commander, is at Changting at the head of the 7th Red army corps. These Red forces are evidently trying to prevent the Government troops at Lungyen from coming up to the north so as to permit Chu Teh to make an easy penetration into central Fukien with his crack forces.

Government troops are also engaged in severe fighting with the "Reds" at Tayangpa near Yungting, south-western Fukien. Fierce encounters also took place at Sunchuan and Pengkow, south of Liencheng, "Red" stronghold in western Fukien.

With a view to accelerating the suppression of communists in Fukien, a fleet of military planes has reached Foochow from Nanchang. Early in the morning on April 20 the planes conducted a heavy bombarment over Yungan and Sahsien where a large number of communists are preparing to stage an offensive against the provincial forces.

All preparations have been completed by General Chiang Kai-shek, chairman of the Military Affairs Commission, for the launching of another general assault on communist bandits in Kiangsi early next month, according to Chinese reports from Nanking April 20.

General Chiang, according to these reports, is expecting to make the drive the last one in his bandit suppression campaign. A new strategy, co-ordinating all of the forces now surrounding the Kiangsi bandit lairs, will be employed to eradicate the outlaws once for all, the dispatches added.

Reports regarding the occupation of Kanchu, 10 miles north of Kwangchang, "Red" stronghold in eastern Kiangsi, by the Government troops have been confirmed. With the occupation of Kanchu, the gateway to Kwangchang, the capture of the latter city is only a matter of days.

As a result of the enveloping movement made by the Government forces and the tightening up of the economic blockade the Communists in Kiangsi are gradually finding it more difficult to maintain a foothold in that province. There are indications that the Reds are making preparations to make a desperate drive towards Hunan from where they intend to join the Communist band in the North-west.

In view of the situation General Chiang Kai-shek has decided to crush the Reds in Kiangsi before they can push westward. Preparations are now in full swing for a general offensive against the Red capital at Juichin early in May.

Lotang, a strategic point near Chunmenling, southern Kiangsi, has been captured by the Kwangtung troops according to an official report received at Canton April 18.

After taking Lotang, the 7th and 8th Kwangtung Divisions are storming Heiyenling, 10 miles from Chunmenling, in three separate routes

As a tribute to General Chiang Kai-shek, President of the Military Affairs Commission, for his indefatigable efforts in prosecuting the bandit-suppression campaign in Kiangsi, the projected iron bridge across the Kan River between Nanchang and Niuhsing station on the Nanchang-Kiukiang Railway will be named after him.

The Communist band under Ho Lung which has been operating in western Hunan has penetrated into Hupeh territory after making a brief stop in eastern Szechuen. The Hunan and Hupeh troops have joined up forces with a view to rounding up the Communists.

Marshal Chang Hsueh-liang, Vice Commander-in-Chief of the Bandit-suppression Forces for the provinces of Honan, Hupeh and Anhwei, will conduct a second inspection of the bandit areas shortly. While the remnant outlaws in southern Hupeh are under suppression by the Government troops, those in northern Hupeh and western Honan have escaped to Shangnan district, south-eastern Shensi.

Marshal Chang has been instructed by General Chiang Kai-shek to be concurrently in charge of the affairs of the Loyang Branch of the Central Military Academy.

Reports having been received to the effect that 500 "Red" bandits are attempting to invade Fuchihkow near Wusueh along the Yangtsze River on the Hupeh-Kiangsi border, the Naval Ministry has telegraphed to the Captain of the gunboat "Wei Hsing" to patrol the section in order to strengthen the river defence.

Several cases of smuggling salt into the Red area in Hupeh and Kiangsi have recently been discovered by the Hankow authorities. The most popular way of smuggling, it is said, is to put salt into bamboo sticks after having the knots inside the sticks removed.

According to a dispatch from Kaifeng, Honan, taking advantage of the transfer of General Liu Chen-hua's troops to Anhui, Communists in Western Honan have again become active. Western Honan has been garrisoned by General Liu's troops, but the garrison duties there have now been taken over by Marshal Chang Hsueh-liang's troops. The change of garrisons has provided opportunity for the uprising of the Communists. Latest reports from Kaifeng state several villages and town in the vicinity of Shangchen have been captured by the Communists and these forces are now menacing the Shangchen city. The various public bodies at Shangchen have telegraphed to Marshal Chang Hsueh-liang at Hankow asking him to send his troops to that city at once to prevent the city from being again captured by the Communists.

In spite of the repeated onslaughts made by the Szechuen provincial forces the Communists in northern Szechuen are still holding Tungkiang, according to a Hankow telegram April 18.

The "Reds" under Hsu Hsiang-chien, having met with repeated setbacks in northern Szechuan, are making for Chenpa, southern Shensi, reported a Chengtu telegram April 21. The various route armies of the Szechuan forces have reached points 20 or 30 miles from Tungkiang, the only remaining "Red" stronghold in northern Szechuan.

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Sinkiang to Become British "Manchukuo" Next Year?

According to a *Chekiai* telegram from Moscow April 17, the opinion is expressed by certain sections in Moscow that the situation in Sinkiang, otherwise known as Chinese Turkestan, is rapidly becoming serious. It is said that 1935 will probably be the crucial year when events will come to a climax and the fate of this outlying Chinese province will be definitely decided.

According to a *Tass* cable from its London correspondent in an interview with an authoritative person there, the telegram states, the Anglo-Indian Army believes that British intervention in Sinkiang is inevitable, although nothing positive has yet been done in that direction. "This time next year, Sinkiang will become a British 'Manchukuo'," asserts the quoted authority.

The remnants of the Mohammedan troops under General Ma Chung-ying which fled into Kansu after their defeat in Sinkiang have been disarmed by the Kansu authorities in the vicinity of Hankukwan Pass.

Tai Chi-tao, President of the Examination Yuan, returned to Sian by airplanes April 18 after an inspection of Kansu and Chinghai (Kokonor). President Tai is returning to Nanking shortly by the Lung-Hai Railway to take charge of the forthcoming Ordinary Civil Service Examinations.

General Yang Hu-cheng, Director of the Sian Pacification Headquarters, who accompanied President Tai on his trip to Chinghai (Kokonor), is now at Lanchow, provincial capital of Kansu.

President Tai announced that he is returning to the Nanking from Sian, provincial capital of Shensi, on April 23.

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Tibetan Delegation Arrives at Nanking

The Tibetan Delegation consisting of fifty Lamas from Lhasa who are coming to China to welcome the Panchen Lama back to Tibet, and who passed through Hongkong April 19, arrived at Nanking on April 24.

The Government is reported to have drawn up definitee measures for the settlement of the Tibetan-Sikong dispute. The measures adopted have already been telegraphed to General Liu Wen-huei, garrison Commander in Sikong, instructing him to carrying them out accordingly. They are as follows:

1.—That the property of the Tachin Monastery shall be restored at Kantze.
2.—That the Lamas shall be sent to the Monastery after it has been restored.
3.—That the Lamas shall be permitted to possess arms to to the extent required for self-protection.
4.—That the arms confiscated from the Lamas shall be reported to the Government.
5.—That the Lamas shall elect a man among themselves to head the Monastery and report the matter to the Government.

An elaborate prayer meeting will shortly be held at Hangchow and the Panchen Lama is coming to Hangchow on April 24 to preside over the gathering. A number of Lamas has already arrived at Hangchow to make preliminary preparations. Most of the Government leaders have contributed to the fund for conducting the prayer meeeting, General Chiang Kai-shek being at the head of the list of contributors by contributing $5,000. The meeting, however, is meeting with opposition from cultural organizations in Hangchow.

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Mongolian Political Council Inaugurated April 23

The Mongolian Local Autonomy Political Affairs Council was formally inaugurated on April 23 at Pailingmiao, Inner Mongolia. Pai Yun-ti, member of the C. E. C., administered the oath of office to the members of the Council. Membership of the Council has been increased from 9 to 28 instead of from 9 to 20. Four more Mongolian Princess have been appointed additional members.

Pai Yun-ti, Ke-Hsing-e, I-Te-chin, En-Ke-Pa-Tu, members of the Mongolian Council arrived at Kweihua, capital of Suiyuan April 20. Interviewed with regard to financial support for the Council, Mr. Pai said that its expenses are now roughly estimated at $50,000 per month, which will be appropriated regularly by the Central Government. The Government has already remitted $20,000 to Peiping as initial expenses for the Council.

Questioned regarding press reports that the Government is contemplating the appointment of Prince Teh, Vice-President of the Silingol League, to a military post, Mr. Pai said that this matter has been under consideration by the Central authorities, no decision has yet been made.

Liu Ping-yung, special deputy of the Peiping Post Office, has proceeded to Pailingmiao, Inner Mongolia, to make arrangements for the opening of a post office there. Horses will be employed as couriers. It will take 8 days Siao-hou at Wuchuan, 30 miles north west of Kweihua, and Pailingmiao.

The disturbances created by the bandits under Yang Hou-siao at Wuchuan, 30 miles north-west of Kweihua, capital of Suiyuan, and the presence of stragglers of the 41st Army rebels (General Sun Tien-ying) along the Suiyuan border are engaging the attention of the Suiyuan provincial authorities. General Fu Tso-i, Chairmn of the Suiyuan Provincial Government, has been instructed by General Yen Hsi-shan, to clear up the bandits and scattered soldiery within one month.

Under orders of General Chiang Kai-shek, General Shang's 33rd Army in Hopei will be transferred to the Shensi-Hupeh border to guard that region against the Communists. General Shang has three divisions and several brigades under his command.

General Huang Shao-hsiung, Minister of the Interior, who is now in North China in an inspection trip, had temporarily given up his intention to visit Ninghsia owing to the unsettled conditions in that region.

The report recently circulated in the Japanese press to the effect that General Huang is going to Sinkiang with a strong military force is without foundation, as he has no intention of visiting Sinkiang for the present.

A special bureau has been created at Peiping for the registration of persons who desire to emigrate to the Northwest to reclaim waste land there. So far about 700 persons have already registered at the office and they will shortly be sent to Suiyuan. General Chu Tsi-ching, formerly commander of the Chinese volunteers in Jehol, who is the promoter of the present land reclamation movement, will accompany the first batch of emigrants to Suiyuan as soon as arrangements for a special train with the Peiping-Suiyuan Railway Administration are completed.

Acting under orders of the Central Government the Shansi Provincial Government have enlisted 600 motor car drivers at Taiyuan as a first step in developing the Northwest. The Shansi government has recently received a huge remittance from General Huang Shao-hsiung, Minister of the Interior now in Peiping, to cover the expenses required for the maintenance of the enlisted drivers.

Important Decisions Reached at Canton Military Conference

Several important decisions were reached at the military conference April 18 convened by General Chen Chi-tang, Commander of Kwangtung Provincial Force. The Conference decided to recruit and train additional land, naval and air officers; also, abolition of the pacification headquarters for Kwangtung; creation of seven military reclamation areas in the province within three years; expansion of the Whampoa dockyard; and construction of the Commander in-Chief's Headquarters in the suburbs of Canton for the housing of the various departments in one building.

Hu Han-min is said to have drawn up a definite policy for coping with the situation in the South-west after exchange of views with General Li Tsung-jen. General Li returned to Canton April 20.

Liu Chi-wen, Mayor of Canton, has arrived at Hongkong from Canton April 18. The main purpose of Mr. Liu's visit is to negotiate a huge loan with Hongkong bankers for the maintenance of currency in Canton.

According to a *Sin Wen Pao* dispatch from Nanking April 17, a telegram has been received from General Lung Yun, Chairman of Yunnan Provincial Government, reporting that the Burmese and British armed guards have not crossed the Yunnan border. General Lung said that the British are opening gold mines at a point seven miles from the Yunnan-Burma border line. The place is called *Panlung* while the place on the Chinese side of the district is called *Panhung*.

Genera. Hu Fu-chu Said Resigning

According to a *Kuo Min* telegram from Tsinan April 21, General Han Fu-chu, chairman of the Shantung Provincial Government has tendered resignation from his post.

Both Chairman Lin Sen and President Wang Ching-wei have telegraphed to General Han urging him to reconsider his decision. It is learned that General Han has withdrawn his resignation as a result of the urgings of President Wang and Chairman Lin.

The bandits under Liu Kuei-tang, finding their movements checked by the Kiangsu Provincial Troops at a point north of Kaiyu, 28 miles north of Haichow, returned again to Shantung territory, according to a report from Tsinan, April 22.

A *Chen Pao* telegram from Tsinan April 22 states the remnants of Liu's bands have again fled to Shantung territory and they are now being surrounded in the vicinity of Luhsien. Liu Kwei-tang himself is reported to have left his men and fled to Tientsin in disguise.

Nanking Government Observes 7th Anniversary of Establishment

The 7th anniversary of the establishment of the National Capital at Nanking was commemorated April 18 at a special memorial service held at National Government House. Speeches were made by Chairman Lin Sen, Yen Chu-tsang, and other Party leaders.

Lin Sen, Chairman of the National Government, who visited Shanghai end of last week, has returned to Nanking.

Deploring the recent scandal which has resulted in the resignation of Ku Jen-fa from his post as Kiangsu Provincial Commissoner of Civil Affairs, Mr. Chen Kuo-fu, Chairman of the Kiangsu Provincial Government and concurrently Acting Commissioner of Civil Affairs, in the course of an address at the weekly memorial service here, warned all officials of the Provincial Government not only to keep themselves above corruption but also to exercise strict care in the selection of their mates. Mr. Chen deplored the extravagant ways of the so-called "modern woman," whose husbands, in order to please them, are often forced into corruption.

The Kiangsu Provincial Government has received a joint petition from various public bodies in Paoshan, urging that funds be appropriated at once for the repair of the dykes along the seacoast near Paoshan, which are in a state of collapse.

A Military Communications Inspection Mission has been jointly organized by the Ministries of War and Communications with General Hsu Ting-yao, Commander of the 17th Army, and General Yu Fei-peng, Political Vice-Minister of Communications, as respectively Head and Assistant Head.

The trial of General Chen Shu-jen, formerly Chairman of the Sinkiang Provincial Government, which was to be resumed April 21 at the Kiangning District Court in Nanking was postponed, as the accused failed to appear due to illness.

According to reports received by the Ministry of Interior, the total number of militia in the fourteen coastal provinces now reaches 5,424,000 men.

Accompanied by his wife, General Von Seekt, noted German war veteran and military expert, arrived at Nanking April 20 from Shanghai. They will shortly proceed to Tientsin and Peiping to visit the historic places in the North.

Chinese Press Regards Tokyo Statement Direct Challenge to the World

The statement issued by the Japanese Foreign Office on April 17 in connection with Sino-Japanese relations has provoked a flood of comments in the Chinese press in Shanghai and other places. The consensus of opinion is that Japan, for purely selfish reasons, intends to obstruct foreign assistance to China.

The *Chung Hua Jih Pao* observes that while the preservation of peace and order in the Orient as well as throughout the world is the earnest hope of China, Japan, despite her declaration to the same effect, has repeatedly proved herself to be just the reverse. In her statement, Japan assumes responsibilty for maintaining peace and order in the Orient. But we find only evidences of her repeated acts of aggression, such as her forced occupation of the Northeast, invasion of Shanghai and Woosung, annexation of Jehol province, and creation of disturbances in North China.

Referring to foreign financial assistance to China, The Journal remarks that in inviting foreign capital for productive reconstruction, we have an established principle, that is, that our rights and independence shall never be prejudiced. Hence, if international investments are made in China, mutual benefit will be made on the basis of economic cooperation.

As far as China is concerned, the journal emphasizes, any country which is willing to cooperate with us financially will be welcome, provided the cooperation is based on justice for both parties.

Finally, the paper said that only on the principle of equality will peace in East Asia be preserved. A political

monopoly is as bad as international control or the partitioning of our country. This we will never tolerate. If Japan intends to improve relations with China, the paper points out, the only way for her is to recognize the principle that China must be allowed to work out her own salvation.

Challenge to the World

In the opinion of the *Chen Pao*, the statement of the Japanese Foreign Office was meant not only as a threat to China but was also directed towards Great Britain and the United States. The cause of the recent Japanese declaration is traceable to a report that the Central Bank of China is initiating the organization of a Finance Corporation, and because Japan is afraid that the new organization is the outcome of the cooperation between China and the League of Nations. Hence the statement.

A careful study of Japan's statement shows that Japan has long dreamed of a monopoly of the Chinese market. In order to make this possible, it is therefore necessary to displace all European as well as American economic influence or at least adopt precautionary measures to prevent their further expansion. Japan's desire to oppose economic cooperation between the League of Nations and China is because she realizes that if this is accomplished China will be greatly influenced economically by Europe and America and the success of her plans for national reconstruction will be assured.

Another reason for Japan's recent action is her intention to isolate China from foreign assistance so that Japan will be in the most favorable position to dictate to us what she wants done. If China succeeds in securing economic cooperation from European and American countries, she may eventually link up with them politically. Japan is therefore anxious to nip these activities in the bud.

While these are the chief motives underlying Japan's statement, the outcome of her action is equal to a challenge to the whole world because if Japan adheres to her declaration the effect will be tantamount to a blockade of China.

China's Unification "a Crime!"

In the eyes of the Japanese people, the *Sin Wen Pao* sarcastically remarks, China's struggle for national unification and reconstruction is the greatest crime, Japan wants China to be a country of disorder within, and closing her doors to European and American countries, so that she (Japan) may control China's destinies.

Referring to Japan's statement, the paper points out that China's engagement of foreign military instructors has a history of forty to fifty years, the first instance being in the Ching dynasty when foreign military drill was adopted. This has so far never become a questoin of international concern.

The purchase of military airplanes is similar to the engagement of foreign military instructors. In fact, Japan herself is supplied by foreign countries with materials for the manufacture of military weapons and airplane parts. If there is nothing wrong in the Powers supplying Japan with military equipment, how can Japan reconcile her own statement that similar help will lead to disturbances of peace in the Orient?

Is Japan Trying to Enforce "Monroe Doctrine" in Far East

The *Shun Pao* on April 21 editorially commented:

"Both the United States and Great Britain have a profound interest in the Far East. If the Japanese are really trying to enforce the so-called 'Monroe Doctrine' for the Far East, the interests of the two Powers would be the first to suffer. The United States, in view of the present economic crisis at home, is not expected to take any positive action at least for the time being. The most she can do is to give moral support to China. Great Britain, however, has been making preparations all the while to meet the forthcoming crisis in the Far East. Therefore it is not at all unlikely that the relations between Great Britain and Japan may take a serious turn at any moment.

"At this moment the Chinese Government should make its attitude clear to the world. The rejoinder to the Japanese statement issued by the Waichiaopu is far from being satisfactory. We want to tell Japan a few words on behalf of the Chinese people. Friendly relations between China and Japan have been completely destroyed by the Japanese occupation of Manchuria and this enmity can never be removed. The conditions for maintaining peace and order in the Far East are no longer in existence. If Japan really is planning to do as she declared in her statement it will accelerate the outbreak in the Far East, which will undoubtedly lead to another world war, for which we must hold Japan responsible."

Tokyo Statement Direct Blow to Powers

Commenting under the heading of Japanese menace in the Far East on April 23, the *Chung Hua Jih Pao* points out that Japan's present position in the world is partly due to her own energetic efforts and partly to circumstances. After reviewing certain historical events, the paper points out that the country which has helped Japan most in achieving success is Great Britain as the existence of the Anglo-Japanese Alliance contributed greatly toward Japan's accomplishments in East Asia.

Although the Shenyang (Mukden) Incident occurred after the expiration of the Anglo-Japanese Alliance, the journal remarks, the traditional friendship between the two countries continued, which accounts for the fact that Japan's actions were tacitly approved by the then British Government, dominated by the Conservative Party which was pro-Japanese.

However, the paper continues, ever since the conclusion of the Naval Treaty in 1922, Japan gradually began to find obstacles in her way, especially after her forceful occupation of Manchuria when, with the exception of one or two countries which are more or less pro-Japanese, the attentoin of the whole world was directed toward Japan. It was the consensus of opinion then that Japan was menacing the world.

Now, with the issue of the Japanese declaration expressing her objection to international assistance to China, a direct blow has been dealt to the various Powers.

While Japan is strengthening her position in North China on the one hand, she is, on the other, closing the door of China to other countries. Japan's recent statement, the paper believes, was only meant as a *ballon d'essai*. She has since been told that neither Japan nor any one country can hope to monopolize the Chinese market.

The Chinese Government having already made clear her stand, it is time for the various Powers to come to a realization that Japan's aim is not only limited to Manchuria, nor even to China, but to the whole of East Asia and the South Pacific. If Japan should be able to accomplish her designs on China, in the opinion of the *Chung Hua Jih Pao*, British, French American and Netherland territories in the Far East will one after another fall into Japanese hands.

The journal finally expresses the conviction that if Japan should run amok, the rest of the world will be compelled to form a united front; and, no matter what form it takes, Great Britain and America will be profoundly involved.

Two Courses of Action Open

Under the heading of "Is the Nine-Power Pact Still Binding on its Signatories?" the *Chen Pao* on April 23 pointed out that the Nine-Power Pact was concluded for territorial integrity. Now that Japan has trampled under foot the highest principles of the Pact, will Great Britain, America and the other Powers remain silent?

It has been our conviction that though Europe and America might not observe their treaty obligations to the very letter, they would not go so far as to repudiate the treaties. But our experiences in connection with the Shenyang (Mukden) Incident of September 18th, 1931 teach us that the Europeans and Americans worship Might more than they care for the sacred treaties.

There are two courses of action which western countries can take: approval or disapproval of the Japanese declaration, the *Chen Pao* asserts. If they do not approve of Japan's statement, they should make clear their attitude formally or informally; otherwise silence means consent.

When the U. S. S. Wyoming Defeated Japanese at Shimonoseki

BY FRANK E. ROSS

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FOR centuries the Japanese Empire dwelt in isolation from the western world. Then, "on that 7th day of July, 1853, the natural sea and sky wearing perfect calm, the magnificent fleet of the 'bar barian' ships sailed up the bay of Yedo." The American fleet demanded that Japan open her doors to American trade, and the Shogun, known to foreigners as the Tycoon, was forced to make concession. "It was the outer edge of the typhoon. The *Susquehanna* was leading the squadrons of seventeen nations." Other nations sought similar privileges and Japan was opened, with many restrictions, to world trade. As the Shogun become reconciled to the presence of foreigners in Japan and gradually became more liberal, many feudal lords grew more hostile to the "barbarians" from the west.' "It was the time of luxury, carousal, and the stupor of licentious carnival with most of the daimios, but with others of gloomy forebodings."[1] Daimios opposed to the Shogun united with those opposed to the Shogun's foreign policy to seek a resurrection of the power of the Imperial Court at Kyoto. The Shogun was weak and the country was ripe for civil war. "At the beginning of 1863 the country was virtually in a state of anarchy. Many of the local chiefs were in rebellion."[2] Early in 1863 the Mikado *ordered* the Shogun to report to him in Kyoto. Although the Shogun was the vassal of the Mikado, "not since 1634 had a Shogun gone up to Kyoto, and then the mission had been one of respect. In two centuries no Shogun had been commanded to attend the Imperial Court." The Shogun did not obey the summons immediately and the Mikado sent a second order instructing the Shogun to appear in Kyoto in the spring of 1863 and "assume the leadership of the clans in the expulsion of the barbarians."[3]

Alarmed by the situation, Robert H. Pruyn, American minister resident at Yedo, sought American naval protection for the Americans in Japan. The American Civil War was at its height and the United States government required its naval forces at home. However, in 1862 the government at Washington heard that a Confederate raider was cruising the China Seas. The flag-officer of the American Pacific Squadron ordered the United States steam sloop *Wyoming* to proceed to Far Eastern waters for the protection of American commerce in those seas.[4] Commander David McDougal, captain of the *Wyoming*, sought in vain for the C.S.S. *Alabama*, but he did find at Hong Kong an "urgent appeal" from Pruyn, which he gave heed to.[5]

There had been new developments when the *Wyoming* reached Japan. The United States legation at Yedo had been destroyed by fire on May 25, 1863, whether by accident or intent could not be determined. The ministers of the Shogun advised Pruyn to leave Yedo as the government could not guarantee his safety if he remained. Pruyn accordingly removed to Yokohama. From thence Commander McDougal reported to Gideon Wenes, American Secretary of the Navy, June 12, 1863, that, "The general opinion is that the Government is on the eve of a revolution, the principal object of which is the expulsion of foreigners and a return to their ancient exclusiveness. The Tycoon and his party are what may be termed the liberal party, who wish trade and intercourse with the world. The party in opposition are composed of many of the most wealthy and powerful princes, with the Mikado at their head, who are hostile to all foreign intercourse."[6]

In the meanwhile the Shogun had obeyed the Mikado's summons to Kyoto. There his stay was prolonged against his will and he was constrained to issue an order to the daimios of Japan that, the Shogun, "having received his Imperial Majesty's command to expel the barbarians, orders that an understanding be arrived at with the foreign barbarians that they are to be expelled from the country."[7] At Yokohama the Shogun's representative informed Pruyn of the receipt of the order and declared that similar orders had been sent to the other treaty ports. He would afford all the protection in his power to foreigners, he told Pruyn, since he expected the Shogun to rescind the order upon the return of the Shogun to Yedo. He explained that the Shogun was in "a very difficult position" at Kyoto, and that "once away from there matters would be changed for the better."[8] On June 24, 1863 Pruyn informed William H. Seward, American Secretary of State, that formal letters had been received by the treaty powers, "demanding their withdrawal, pursuant to orders of the Mikado and Tycoon from Kyoto."[9] Pruyn informed the Shogun's minister of foreign affairs that, "a solemn treaty had been made by the government of Japan with the United States granting to its citizens the liberty to reside and trade at these ports. The right thus acquired will not be surrendered, and cannot be withdrawn. Even to propose such a measure is an insult to my country," he declared, "and equivalent to a declaration of war. I shall send a copy of your letter to the President of the United States, by whom it will be received with mingled emotions of astonishment, sorrow, and indignation."[10]

Although the enforcement of the Mikado's decree was in the hands of the Shogun alone, and presumably no daimio could act on his own responsibility, the Shogun had ordered the daimios to place their dominions in a state of defense and had invited them to aid him in the expulsion of the foreigners.[11] The Prince of Nagato, "one of the most powerful and influential princes of the Empire." was hostile to foreigners and Shogun alike,[12] and he decided to close the Straits of Shimonoseki to foreign vessels, probably with a view "to embroiling the Shogun with the foreigner."[13] On June 26, 1863 armed vessels belonging to the Prince of Nagato fired on the American steamer *Pembroke* near the western entrance to the Inland Sea. The *Pembroke*, which was en route from Yokohama to Nagasaki, escaped through Bungo Channel, "a narrow and unfrequented strait."[14]

When the news reached Yokohama Pruyn declared that the acts of the Prince of Nagato "if justified by the government, constituted war; if disavowed, were acts of piracy." He informed the Shogun's ministers that Russell and Company, owners of the *Pembroke*, had presented a claim for damages, and that the insult to the American flag was a serious matter "for which ample satisfaction would be demanded."[15] The government of the United States had instructed the *Wyoming* to obey Pruyn's orders, but the instruction had not reached Japan at this time. However, when Pruyn consulated the Captain of the *Wyoming* he "was gratified" to find that Commander McDougal "had decided to proceed instantly to the straits for the purpose of seizing, and, if needful, destroying" the armed vessels of the Prince of Nagato. "This course," wrote Pruyn, "was one which I felt could not safely be avoided."[16] It was a courageous decision. The straits were defended by three armed vessels: the iron steamer *Lancefield*, the brig *Lanrick*, and a bark. In addition the Prince of Nagato had six land batteries. On July 11, 1863 a Dutch war vessel, the 16 gun corvette *Medusa*, had attacked the armed vessels and land batteries at Shimonoseki and not only failed utterly but herself narrowly escaped destruction. McDougal's command, the U.S.S. *Wyoming*, was only a 7 gun steam sloop, an armament considerably less effective than that of the *Medusa*.

The *Wyoming* arrived off the inner entrance of the western outlet of the Inland Sea on the morning of July 16, 1863. Int the battle that ensued McDougal's tactics "were not only bold but skilful."[17] Instead of proceeding directly into the straits from the Inland Sea the *Wyoming* hugged the Kiushiu shore, which at that point forms an acute angle, the south coast of the straits representing one side, with the promontory marking the esatern termination of the straits as the apex. Screened from the land batteries until she reached the point of the cape, the *Wyoming* then rounded the cape at full speed and stood for the Japanese armed vessels, which were anchored off the town of Shimonoseki, flying the Japanese colors at the peak with the flag of the Prince of Nagato at the fore. The Japanese shore batteries fired three signal guns, after which the first battery opened fire on the *Wyoming*. The American vessel hoisted colors and returned the fire with XI-inch shell from the pivot guns and solid shot from the starboard broadside guns. The *Wyoming* then steamed between the brig and the bark and exchanged broadsides with the Japanese vessels at fifty yards "with staggering effect." She gave the Japanese steamer the two port 32 pounders and ran for the southern shore, where, "after some maneuvering, the vessel's

1.—W. E. Griffis, "The Recent Revolutions in Japan," *North American Review*, April 1875, pp. 295, 299.
2.—E. H. House, *The Shimonoseki Affair: A Chapter of Japanese History* (Tokio, 1875) p. 8.
3.—P. J. Treat, *Japan and the U. S., 1853-1921* (1921) p. 55.
4.—*Official Records of the Union and Confederate Navies in the War of the Rebellion*, series I, vol. I (1894) p. 394, published as *U. S. House Miscellaneous Document No. 53*, 53 Congress, 3 Session...
5.—*Officials Records* (Naval), series I, vol. II (1895) p. 170, published as *U. S. House Document No. 36*, 54 Congress, 1 Session
6.—*Ibid.*, pp. 268-269.
7.—*U. S. House Executive Document No. 1*, 38 Congress, 1 Session, vol. II, p. 1113.
8.—*U. S. House Document No. 36*, 54 Congress, 1 Session, pp. 363-364.
9.—*U. S. House Executive Document No. 1*, 38 Congress, 1 Session, vol. II, p. 1121.
10.—*Ibid.*, vol. II, p. 1121.
11.—Treat, p. 61: *U. S. House Executive Document No. 1*, 38 Congress, 1 Session, vol. II, pp. 1130-1131.
12.—*U. S. House Document No. 36*, 54 Congress, 1 Session, pp. 393-394.
13.—Montago Paske-Smith, *Western Barbarians in Japan and Formosa in Tokugawa Days, 1603-1868* (Kobe, 1930. p. 167.
14.—*U. S. House Executive Document No. 1*, 38 Congress, 1 Session, vol. II, pp. 1137-1138: *U. S. House Document No. 36*, 54 Congress, 1 Session, pp. 395-396.
15.—*U. S. House Executive Document No. 1*, 38 Congress, 1 Session, vol. II, pp. 1130-1131.
16.—*Ibid.*, vol. II, p. 1130.
17.—Vice-Admiral G. A. Ballard, *The Influence of the Sea on the Political History of Japan* (London, 1921) pp. 89-90; Commander McDougal's report of the battle, dated Yokohama, July 23, 1863, and the log of the *Wyoming*, kept by Lieut.-Commander G. W. Young, executive officer of the vessel, are printed in the *Official Records* (Naval) series I, vol. II (1895), publishd as *U. S. House Document No. 36*, 54 Congress, 1 Session.

head was put to the eastward." The *Wyoming* then disabled the steamer with two XI-inch shells and one or more 32 pound shot and shell. The XI-inch shells struck the *Lancefield* "in the wake of the boilers and machinery." Japanese officials in the custom house at Yokohama were later overheard to remark that 40 Japanese were killed, being scalded or suffocated, when the *Lancefield's* boilers exploded.[18] McDougal again "steamed past the brig and bark, firing into them from our port battery and landing a few shells in the shore batteries." The *Wyoming* then ceased firing, at 12:10 p.m., and steamed out of the straits after a gallant action of an hour and ten minutes. The steamer *Lancefield* was disabled and driven ashore. The *Wyoming* had done this "right under the guns of shore defences whose total armament was many times in excess of her own."[19] McDougal reported that he withdrew from action because he had no charts and his pilots, "completely paralyzed," were apprehensive of grounding the vessel. The straits opposite the town of Shimonoseki are about 1100 yards in width, "with strong currents, which made it very difficult to maneuver the ship properly."

The surgeon of the *Wyoming* reported 5 dead and 6 wounded. The fire from the land batteries had been "extremely brisk." McDougal reported that the *Wyoming* was "hulled 11 times, and with considerable damage to smokestack and rigging aloft, which was attributed to our passing within the range they were prepared for." During the battle the *Wyoming* expended twenty-three XI-inch shells, twenty-three 15 pound charges, sixteen 32 pound shells, sixteen solid 32 pound shot, thirty-two ordinary firing charges of 8 pound each, one-hundred rounds of musket ball cartridges, fifty pistol-ball cartridges, fifty revolver cartridges, and two-hundred percussion caps.

The armament of the Japanese vessels, according to the log of the *Wyoming*, was apparently brass 24 or 32 pounders, the bark mounting 6, the brig 10, and the steamer 2. The vessels also made use of small arms and swivels. The shore batteries used 32 pound shell and 24 pound shot, shrapnel and grape. The steamer *Lancefield*, of nearly 600 tons, had been purchased from the English firm of Jardine, Mattheson and Company for $115,000. The brig *Lanrick*, "formerly in the opium trade," had been purchased of the same firm for $20,000.

Upon the return of the *Wyoming* to Yokohama Pruyn informed the Shogun's ministers of the battle and declared that "the attack on the *Pembroke* was an act of piracy, which required immediate punishment." The Shogun's minister of foreign affairs not only disavowed the acts of the Prince of Nagato but expressed satisfaction that he had been chastised by the *Wyoming*.[20] The United States had struck "the first blow in defense of treaty rights . . . but not against the Government of Japan. The Government, recognized by the foreign powers, was that of the Shogun."[21] As early as February, 1863 the Shogun's minister of foreign affairs had informed Pruyn that the Shogun feared civil war. He stated that the princes of Satsuma and Nagato were most hostile to foreigners and were influencing the Mikado. What, he inquired, would the United States do if civil war came to Japan. Pruyn replied "that the government of the United States would, of course, be deeply interested in such a struggle, and that all the moral support it could render, and all material support which would be justified by international law, would doubtless be given." He further expressed his opinion that if called upon for aid by the government of the Shogun, "all the treaty-powers would be justified in giving it, in self-defence, and would give it if, as was said, the object of the hostile daimios was to drive out foreigners."[22]

The return of the Shogun to Yedo brought about a great improvement in American relations with the government of Japan[23] and Pruyn broached the subject of damages in behalf of the owners of the *Pembroke*. Russell and Company had filed a claim with Pruyn for $10,000 on three counts: for loss of time through "being obliged to go through an unknown and circuitous passage to reach the open sea," five days at $300 a day; for loss of passengers and freight through not being able to visit Nagasaki, $6,500; for a "consideration to be distributed among the officers and crew as recompense for the deadly peril to which they were subjected," $2,000.[24] Pruyn thought it "a very large indemnity, in view of the small loss sustained,"[25] but presented it to the Shogun's ministers in November, 1863. The ministers replied that the government "had fully conisdered the case of the *Pembroke*, and arrived at the conclusion that the claim was just and reasonable, and that the bill of damages should be paid." They asked, however, that the time for settlement be "delayed till the public feeling had become more tranquil . . . Though the amount to be paid was small, the hostile Daimios, who were watching the government closely, would be as much offended as if a large amount were paid." They desired to wait "until the government had settled with Nagato." Pruyn had also mentioned the insult to the American flag and stated that while he did not ask "any money indemnity" for that insult, if the Shogun would provide annuities for the families of the dead and wounded of the *Wyoming* he would "take the responsibility of settling the case on such basis." To this the Shogun's ministers replied that "the government had been disposed to regard that offence as fairly offset by the punishment inflicted."[26]

Some months later Pruyn again mentioned the claim of Rusell and Company and in addition to the $10,000 asked for interest "thinking it would hasten the payment of the principal sum." In August, 1864 the government of the Shogun agreed to pay, on September 5, 1864, the sum of nearly $12,000 principal and interest. Pruyn informed the American government that he would present the money to Russell and Company.[27]

In America the action of the *Wyoming* was officially approved. Congress eventually passed an act directing the Secretary of the Treasury to pay a sum of money "to the officers and crew of the United States ship *Wyoming*, or to their legal representatives, for extraordinary, valuable, and specially meritorious and perilous services in the destruction of hostile vessels in the straits of Shimonoseki."[28] Abraham Lincoln, President of the United States, in his annual message to Congress on the state of the Union, December 8, 1863, reported that, "In common with other western Powers, our relations with Japan have been brought into serious jeopardy, through the perverse opposition of the hereditary aristocracy of the empire to the enlightened and liberal policy of the Tycoon, designed to bring the country into the society of nations."[29] Secretary of State Seward wrote that the entire proceedings of the American diplomatic and naval representatives in Japan "are fully and cheerfully approved."[30] Secretary of the Navy Welles referred to the battle in the Straits of Shimonoseki as "vindicating the honor of the American flag."[31] Half a century later it occurred to an American historian of repute that the action of the *Wyoming* and the collection of damages for the attack on the *Pembroke* were "un-American when judged by the entire American record in Asia."[32]

Washington, D. C.

18.—*U. S. House Executive Document No. 1*, 38 Congress, 1 Session, vol. II, p. 1133.
19.—Ballard, p. 91.
20.—*U. S. House Executive Document No. 1*, 38 Congress, 1 Session, vol. II, pp. 1131, 1138.
21.—Treat, p. 62.
22.—*U. S. House Executive Document No. 1*, 38 Congress, 1 Session, vol. II, p. 1067.
23.—*Ibid.*, vol. II, p. 1151.
24.—*Ibid.*, vol. II, p. 1138.
25.—*Ibid.*, vol. III, p. 537.
26.—*Ibid.*, vol. III, pp. 458-460.
27.—*Ibid.*, vol. III, p. 536.
28.—Act of February 22, 1883, *Statutes-at-Large of the U.S.A.*, vol. XXII (1883) p. 421.
29.—*Congressional Globe, Appendix*, 38 Congress, 1 Session, p. 1.
30.—*U. S. House Executive Document No. 1*, 38 Congress, 1 Session, vol. II, p. 1151.
31.—*Report of the Secretary of the Navy*, 1863, published as *U. S. House Executive Document No. 1*, 38 Congress, 1 Session, vol. IV, p. XI.
32.—Tyler Dennett, "Seward's Far Eastern Policy." *American Historical Review*, October 1922, p. 50; same author, *Americans in Eastern Asia* (1922).

Jack Young's Party Explores Gong Ga

Interesting details of Jack Young's hunting expedition to Tibet are given in a letter from Tachienlu appearing in the *North China Daily News* of April 19. Mr. Young Mrs. Adelaide Young, and Quentin Young left Tachienlu March 21 for the Gong Ga on what is, no doubt, the first big hunting expedition entirely made up of Chinese. Arriving on the border one week earlier, the members of the expedition have been busy making the necessary arrangements for an extended hunting trip around the now famous snow giant of Eastern Tibet. The trio have arranged themselves as follows: Jack Young shoots big game; Quentin Young shoots small mammals; and Mrs. Young collects botanical specimens. However, there is no prohibition against shooting other animals; Mrs. Young is anxious to bag a giant panda.

The Gong Ga, over 25,000 feet high, and its surrounding mountains, is virgin soil as far as big game is concerned and these young Chinese hunters hope to have the honor of bringing back to Chinese and foreign museums specimens still unknown to the scientific world. The whole country west of Tachienlu is bear country extending from Kansu in the north to Yunnan in the south, and covering such well known species as the black, the brown, and the grizzly. It is no uncommon experience for travellers in Eastern Tibet to find bear marks all round their tents after a slight fall of snow during the night. Black, and brown, and grizzly bear skins are usually seen for sale on the streets of Tachienlu. Mr. Young and his party are receiving every courtesy and assistance from the local officials.

Nanking Government Insists on Practical Education

In order to encourage the study of natural and applied science, the Ministry of Education has despatched orders to the various colleges and universities to restrict enrolments in the department of Education, Arts, Commerce, and Law (which is to known as Group I) in favor of the departments of Agriculture, Industry, and Medicine (to be known as Group II). The total enrolment of new students in Group I must not exceed that for Group II.

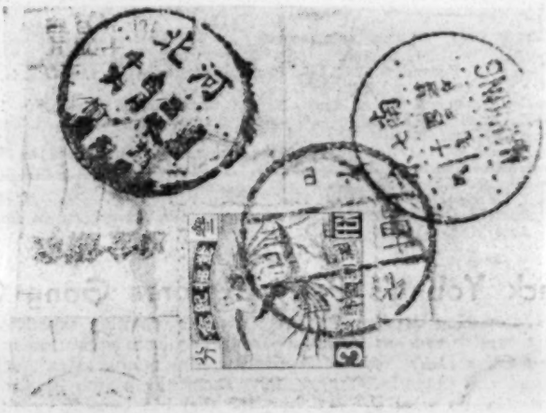
Will China Cooperate With Japan Against Russia?---The Situation in the North

BY C. Y. W. MENG (孟 昭 華)

THE Chinese have now realized that the situation in the North is very serious. General Huang Fu's sudden departure for Kiangsi, the holding of another "Emergency Conference" in Nanchang, all tend to show the tension now existing in the North.

The seriousness of the situation is generally believed to have been caused by the Japanese demands for the opening of through train traffic and postal services between China and the Manchukuo, on the ground that in the time of signing of the Tangku Agreement, "both parties have verbally agreed to carry out these fulfilments." The Japanese further claimed that "Japan has carried out her promise in the Tangku Agreement in restoring the occupied territories to China, but China has always been unwilling to carry out her promises." In October last, the Assistant Chief-of-Staff of the Kwantung Army was despatched to Peiping to take up the problems with the Chinese authority, but "China even up to now has not yet carried out her promise." It is also reliably reported that just before General Huang's departure south, the Japanese military authorities had officially intimated that they expect that the negotiations should be concluded on or before May 31—the date of the anniversary of the signing of the Tangku Agreement.

The Japanese have made a demand for through train and postal services with Manchukuo. A "yes" from Nanking to these demands is tantamount to a *de facto* recognition of Manchukuo by Nanking. But at the same time, Nanking realises that it has to take some action to ease tension. According to report, the final decision of the Nanchang Conference was to pass everything which should come under the Nanking Foreign Office on the Political Affairs Readjustment Committee in Peiping. According to the decision, the power of the Committee would be greatly extended, and such problems as opening of train, postal and customs services would be treated as "local affairs" to be handled by the Committee in Peiping. So, General Huang, when he was in Shanghai after the conference in Nanchang, is quoted to have said *inter alia* that "If the members of the Central Political Council of the Kuomintang would realize the difficult position he is in and could 'pardon' him, he would return to his post in Peiping." What he meant is this: According to the present form of organization, the C.P.C. has the power to approve or oppose any decision which might have been previously arrived at. What has been decided by the Nanchang Conference is by no means final; for such decision is subject to the approval of the C.P.C. The Council further passed a resolution that hereafter the Council would decide the principles, and these principles would be communicated to the Executive Yuan which should, in turn, instruct the Ministry of Foreign Affairs to go on with the negotiations only in accordance with these principles handed down by the C. P. C. However, in view the fact that many of the outspoken members of the C.P.C., such as Chou I-tang, Chen Chao-Ying, etc., who put up a bitter fight in the past meetings of the C.P.C. when the same problems came up for discussion, and are now absent from Nanking, we do not believe the General Huang would have any difficulty this time. So without awaiting for the decision from the C. P. C., General Huang at once entered into discussion with Mr. Ariyoshi, the Japanese minister to China.



Evidence that at least one letter containing a Manchukuo stamp was received through the Chinese Post Office and delivered to a resident of Nanking. The letter bearing this stamp was mailed in Mukden on April 14, was received and "chopped" at Shanhaikwan on April 16 and forwarded to Nanking where it was received on April 19. The letter bore no other than the Manchukuo stamp, hence its receipt in Nanking created the impression that mails are now being forwarded between China and Manchukuo without delay.

During the Huang-Ariyoshi Conference, it was reported that the Conference progressed very favorably, and that the Conference was full of friendly atmospheres and that the Japanese minister expressed his satisfaction at the outcome. The Nippon Minister left on the very night of the conference for Nanking to bid his farewell to the high officials of the National Government before his departure for Japan, obviously because he had accomplished his mission!"

Opening of Train and Postal Services Not Principal Problems

It is true that China has declared a blockade against mails from Manchukuo, and that the Peiping-Liaoning service has been able to operate only as far as Shanhaikwan. But the people in this part of China have been able to receive and send mails, from and to Manchukuo already along ago. At first, the letters from Manchukuo to the people in this part of China were stamped with both Chinese and Japanese stamps. Later on, apparently, the Chinese stamps in Manchukuo went out of stock, then only Japanese stamps were used; the C.P.O. was willing to deliver these letters but the addressees had to be "taxed." But since about two weeks ago—that is, some days before the opening of Huang-Ariyoshi Conference in Shanghai—letters from Manchukuo with only "Manchukuo stamps" were already accepted and delivered by the C.P.O. That is to say direct postal service between Nanking and Mukden was already opened even before the Sino-Japanese conference! As to the Peiping-Liaoning through train service, travellers could still travel from Peiping to Liaoning; the only thing is that they had to change trains at Shanhaikwan. As to the opening of the customs facilities along the "passes" along the Great Wall, this was the Chinese proposal to collect the revenue now lost, not the Japanese proposal or demand.

Russo-Japanese War Imminent

Many keen observers in the North have come to the conclusion that what the Japanese are preparing for, is not for war against China but against Russia, and that the Japanese aim of taking Chahar Province, Inner Mongolia, etc., is largely necessitated by facilities for military transporation in a Russo-Japanese war. It is a strange coincidence that the chairman of the People's Military Commission of the Moscow Government is also reported to have taken an "inspection tour" to "review the defence works" up to Barga, the capital city of Outer Mongolia! The Russians are double-tracking the trans-Siberian railway line—which will undoubtedly greatly facilitate the transportation of troops and ammunitions. Great encouragement is constantly being given to the Russian people to migrate to the East. Vigorous steps are being taken by the Russians to develop the chemical industry, in preparation for war.

A Japanese military attache of the Japanese Legation in Peiping, in a speech to Chinese newspapermen a few weeks ago, is quoted to have said that the Chinese and Japanese authorities are discussing about opening the train and postal services, etc., "but the situation in the North is not to be decided by these two problems alone," and he went on to say that "from what he has observed, to what degree the tension of the situation is to be developed will be decided in one or two months." Obviously, what he meant is that the settlement of the Sino-Japanese problems would not settle the whole situation, and that what he meant by "tension" is of course the "Russo-Japanese tension." Another report has it that Japan is planning to establish another "puppet" state in the North, the head of which is to a Chinese this time, in order to please the Chinese, to form a "buffer state" between Russia and Japan.

Japan Planning to Attack Russia By Four Routes

There is no question about the fact that when Japan takes Manchuria away from China, Japan is bound sooner or later to come to an armed conflict with Russia, in the same way as when Russia decided to take Korea and Manchuria away from China' Russia had to come to an armed conflict with Japan in 1904-5. Japan realizes this better than anybody else.

A report from Peiping dated April 18 has it that the Japanese military authorities are now vigorously preparing war against Russia, and that the Japanese have already decided the routes of

attack on Russia, that is, along four routes: From Vladivostock by navy; from Manchuli to attack Chita to cut off the C.E.R. communication; from Charhar to attack Barga to cut off the Russian armies from the rear; from Sinkiang (Chinese Turkestine) to attack Russia Proper by seeking permission from the Chinese to give free passage to Japanese troops to proceed to Sinkiang through Suiyuan and Ninghsia Provinces.

The True Situation

So, many keen observers come to the conclusion that the situation in the North is dangerous not so much in the sense that Japan is actually invading and occupying of the whole North China, but rather in the respect that a second Russo-Japanese war is imminent, and that the war, as was the case in the first Russo-Japanese war, would be fought neither in the Russian nor Japanese territory but entirely on Chinese territory. So what Japan is doing to-day is preparing for war with Russia on Chinese territory. China is so weak a country, and the present situation is so hopeless to China, that if Japan demands anything from China, China has to agree, it being not necessary for Japan to go on with elaborate preparations. But Russia is Japan's only rival and enemy. To defeat her before the latter has become industrially strong is the present policy of Japan.

Japan Seeking Secret Understanding With China re-Russo-Japanese War!

According to reports from reliable sources, the important mission of the present Huang-Ariyoshi Conference is not to discuss so much the opening of train and postal services, but rather to discuss about the Japanese demands for some "understanding" with China in the event of a Russo-Japanese war which the Japanese believe to be very imminent. The sudden departure of General Huang to Kiangsi is also to inform the high officials of the Government that a Russo-Japanese war in imminent, and that the Japanese authorities are seeking for some "previous understanding" with China. According to the report, the Japanese demand that China should not join with Russia, but China should remain neutral in the event of the Russo-Japanese war, and in return for China's courtesy Japan promises not to make any trouble in the North.

Sino-Japanese Understanding Reached

In view of the fact that the Huang-Ariyoshi Conference in Shanghai was ended so quickly—in one day—and that Mr. Ariyoshi with "cheerful face" left for Nanking on the very night of the Conference to have a "final conference" with Wang Ching-wei, the acting Minister of Foreign Affairs; and further, according to what Mr. Ariyoshi stated in Nanking on the next day after having conference with Mr. Wang, that he is seeking "for peace and friendliness of two nations," it is quite believable that the Japanese must have been very satisfied with the Chinese answers, and that the Chinese have accepted the Japanese demands; otherwise, the Conference could never be concluded in a couple of days.

These understandings, accompanied by many other promises from the Chinese such as the employment of Japanese capital in the development of the North China; the purchase of air-planes from Japan in the development of air-services between North China and Japan, through Manchukuo; the purchase of railway equipment from Japan in the development of the Peiping-Jehol Railway, and others lines; and lastly, the formation of the so-called "Sino-Japanese Economic Alliance," and the "Sino-Japanese Technical Co-operation," etc.—these understandings and promises all put together, mean nothing except that Japan has virtually declared a protectorate over China.

Significance of Huang-Ariyoshi Conference

By the Hirota-Hull exchange of notes, Japan succeeded in isolating Russia from America. By the Huang-Ariyoshi Conference (or more correct to say, the Wang-Ariyoshi Agreement) Japan succeeded in isolating Russia from China, thus leaving Russia and Japan to have a "dual meet" to fight for the supremcy in Asia. By further revising the old "Anglo-Japanese Alliance," Japan has made herself quite sure that no other help would come to Russia when she goes to have another "life-and-death" struggle with the Northern Bear.

If the above reported Sino-Japanese understanding on the Russo-Japanese situation is true, China is merely committing another blunder. Prussia alllied with Austria to fight against Denmark, but after defeating Demark, Prussia declared war against Austria. The same is the intention of the Japanese. At first, Japan wants China to go to her side to fight against Russia, possibly on the sound doctrine to eliminate the "common communistic menace" in Asia! This may not be possible, so Japan now wants to make China a neutral. But the Japanese determination to conquer China is just the same as before!

That China intends to remain neutral in the event of the Russo-Japanese war can be seen by an editorial appearing in *Chung Kuo Jih Pao*, generally known as an organ of some very high officials in the Government, when in an editorial comment on "China and the Russo-Japanese War" dated April 19, which said *inter alia* that "in the time of Russo-Japanese war, our policy should be essentially to protect our territories and to remain neutral. We want only peace but not war. To hope that for an early outbreak of the Russo-Japanese War to settle the situation is too childish!" To prevent being utilized by Japan to join with her to fight against Russia, and to prevent a union with Russia to fight against Japan, but to preserve peace and to remain neutral is strongly advocated by the paper.

Why Not Form a Sino-Russo Understanding?

Of course, this is just contrary to what we have advocated since the outbreak of the Sino-Japanese crisis of forming the Sino-Russo "common action", or Sino-Russo-American "common understanding" regarding the situation in the Far East, or Anglo-American "co-operation" in the settlement of the Sino-Japanese crisis, etc. At first, our suggestion was thought to be not practical, for Russia might not be willing to fight against Japan, so it was of not much use for China to turn her attention to Russia. But now Russia has shown her determination to accept the Japanese challenge. It is a "good chance" for China to join with the Northern Bear to fight and to drive out the "invaders"—our common foe!

Nanking, April 23, 1934.

Huge Quantities of Sugar Smuggled into China

Chinese sugar importers have compiled data which indicate that something like 200,000 tons of sugar were smuggled into China last pear, the great part of it by way of Hongkong and Formosa. The duty on sugar into China is based on polarization, with the result that present duties work out at about 150 per cent of the c.i.f. value. The inducement to smuggle is therefore very great. Most of the smuggling is by junks. A junk that is successful in landing its cargo surreptitiously can make a profit of about $5,000 on 2,000 bags. Huge quantities of Java sugar, it is stated, are first imported to Formosa, whence the sugar reaches China by surreptitious routes. Sugar is also coming into China from Manchuria, the importers state. Investigations made into tne exports of sugar from Java to China, Java to Formosa, Java to Hongkong and from Cuba to Hongkong, show a huge excess over the official imports into China, and the Chinese sugar importers base their estimate of the extent of the smuggling largely on this fact. The extent of the smuggling into North China through Dairen has not yet been determined, but it is a matter of common knowledge that a large illicit traffic is carried on. Chinese sugar importers have asked the Nanking government to revise the sugar tariff not only as a help to he trade, but as a step towards checking smuggling.

Japanese Pay Much Attention to Visit of Australian Official

Following the procedure which was been evident for some time past, on the part of Japanese Government, of going over the heads of the British Government in London and dealing with the British Colonies direct, the Japanese are paying special attention to the coming visit of J. G. Latham, the Australian attorney general, minister of external affairs and minister of industy. Japanese diplomatic and industrial circles are preparing to prove to Mr. Latham the advisability of the Commonweaith having its own diplomatic representative in Tokyo to cement trade relations between the two countries: to demonstrate that Japan is becoming an increasingly large consumer of Australian wool, and that she can supply Australia with many lines of useful goods at prices which other countries, notably Britain, cannot approach. A talking point will be made of the fact that Japanese industrialists will turn to South Africa and South America for wool if trade relations with Australia become unsatisfactory. The *Tokyo Asahi*, declares that the minister for foreign affairs, Mr. *Hirota*, attaches special importance to closer relations not only with Australia but also with the other British dominions and colonies. "The fact that the British government withholds diplomatic rights from its dominions and colonies is occasioning considerable inconvenience," it says, and Mr. Hirota has been studying measures aiming at their elimination. His aim, apparently, the paper states, is to exchange ministers with other British dominions and colonies, as has already been done with Canada. Mr. Lathain arrived in Shanghai and Nanking during the week. He is due in Japan early next month.

Oratorical Contest Held at Nanking University

The second East China Intercollegiate Oratorical Contest was held in Nanking April 21 at the University of Nanking. The schools participating were Kwang Hua, Fuh Tan, Chinan, Chiaotung and Shanghai Universities from Shanghai, and the Central and Nanking Universities and the Ginling Girls, College in the capital. Messrs. Chen Li-fu, Chairman of the Organization Committee of Central Party Headquarters, and Peng Hsueh-pei' Director of the Political Affairs Department of the Executive Yuan, acted as judges.

The Menace of Smuggled Japanese Goods

BY PAUL K. WHANG (汪仲芳)

THE free entry of Japanese goods from Japan through Manchuria to China is a matter, the significance of which has not yet been fully realized by the public. Since Manchuria and Jehol were forcibly seized by the Japanese, it has been suggested that customs barriers should be erected along the Great Wall with a view to preventing the free entry of Japanese goods from Manchuria and Jehol, and also protecting the revenue of the Chinese Government. But this suggestion has been over-ruled by some of the high officials of the Nanking Government on the ground that the erection of customs barriers along the Great Wall would be tantamount to a tacit admission of the existence of a separate and independent state in Manchuria and Jehol. Therefore it has been argued that we should not, simply because of the monetary considerations, change our stand in any manner which may be interpreted as a deviation from our fixed policy on non-recognition of "Manchukuo."

In pursuing this policy, we have indeed swallowed a very bitter pill. Not only has our government sustained an huge loss in its revenue, but our native commerce and industry have received a great set-back as a result of the invasion of smuggled Japanese goods. While the loss of our revenue can be measured, the damage done to our various infant industries is incalculable. In view of the adverse effects upon our government coffer and domestic industry, one can not help doubting the wisdom of our government officials in permitting this anomalous state of affairs to drag on indefinitely without finding some modus vivendi whereby the smuggling of Japanese goods to Chinese territory can be effectively stopped.

Manchuria and Jehol have been transformed into free markets, so far as the Japanese business men are concerned. Any products bearing the mark of Japanese origin can draw a free pass to Manchuria via either Dairen or Korea. Because of the absence of any custom barriers along the Great Wall, the Japanese merchants can also move their products freely to North China through the Great Wall passes. Thus it is no wonder that North China has been overflooded with smuggled Japanese goods, the prices of which are so cheap that similar products of other countries have difficulty in competing with them.

Japanese Artificial Silk Smuggled Through Manchuria

Here in Shanghai we have also been menaced by the invasion of smuggled Japanese goods, which, for the time being, are confined to those articles which are required to pay high duties on their importation. Artificial silk is one of the examples. Because of its very high import duty which is G. U. 0.73 per catty, the smuggled Japanese artificial silk has become very popular with the Chinese silk weavers. It is now an open secret that the Japanese importers in Shanghai have imported Japanese artificial silk not directly from Japan but through Manchuria. Although this circuitious route of shipment involves high cost of transportation and delay in delivery, yet the advantage thus derived far outweights its disadvantages.

The writer has recently made some inquiries as to the quotations of artificial silk of different origins, and, to his surprise, found that the price of that of Japanese origin is in some cases sixty dollars per picul cheaper than that of other makes of the same quality. This big difference in prices amply accounts for the reason why the local artificial silk market is virtually monopolized by the Japanese importers. In spite of their hatred against the Japanese, but because of the considerations of their business and personal interests, the Chinese silk weavers are compelled to make use of the Japanese products in their manufactures. The importers of artificial silk either from Europe or from America have to cut down their prices so as to be able to compete with the Japanese; otherwise, they will be forced out of the market altogether.

What is true of artificial silk must be also true of other high quality goods. The Japanese merchants, who have set their hearts on the monopolization of the Chinese market, will use all the underhand measures to undermine the commercial intersts of other countries. It is now quite certain that the Japanese importers here have arranged to import all the luxurious and less bulky articles through Manchuria, as the evasion of the payment of import duties will enable them to quote their products at such a low figure that the American and European importers can not reasonably compete with them.

In this connection, it must be noted that the Japannse shipping firms subsidized by the Japanese Government have assisted the Japanese merchants in shipping their goods to Manchuria or China by reducing their freight rates—as pointed out in my last article. This assistance from the shipping firms will certainly be a great relief to those Japanese merchants who have imported the Japanese goods by the present circuitous route. Thus the Japanese Government has connived with its merchants in their endeavor to capture the Chinese market.

The writer has been further informed that in Shanghai a few Japanese transportation agencies have been recently organized for the sole purpose of assisting the Chinese merchants in smuggling Japanese goods through Manchuaia. They can arrange the through shipment of the goods from any ports in Japan to Shanghai. It is reported that they have done thriving business in spite of the high commissions charged for their services.

That the effects of this smuggling situation are pernicious to American and European trade and to domestic industry goes without saying. The American and European merchants can not be expected to sell their goods at prices in competition with those of Japanese goods, on which no import duties are levied. Hitherto the Japanese manufacturers, because of the cheap labor cost, have already had an edge over the American and European manufacturers in their competition for capturing the Chinese market. With the added advantage in the evasion of the payment of import duties and cheap treansportation charges, the Japanese merchants will be in a very good position to squeeze the American and European traders out of the Chinese market.

Japanese Flour Smuggled into North China

But the effects upon various Chinese domestic industries are far more pernicious. The decline of China's flour industry is partly due to the non-marketability of Chinese flour in North China, which has now been practically monopolized by the smuggled Japanese flour. With the loss of a very important market in North China, the Chinese flour merchants have had difficulty in finding an outlet to dispose of their products, because the people besides those of North China are mostly living on rice. As a result, China's flour industry is now on the verge of bankruptcy.

Likewise, the silk weaving industry has also felt the pinch of this severe Japanese competition. Formerly the silk weavers of Kiangsu and Chekiang have marketed most of their products to Manchuria and North China. Now Manchuria has been totally closed to them, while North China has been flooded with cheap Japanese goods, with which the Chinese silk weavers have not any chance to compete. Thus the invasion of cheap Japanese silk goods has hastened the downfall of China's silk weaving industry.

It is of interest to note that one of the five reported Japanese demands which the Japanese militarists are now pressing on the Chinese Government for settlement is the establishment of Chinese customs offices along the Great Wall passes. In view of the enormous profits which the Japanese merchants can draw from the present anomalous situation, we doubt very much if the Japanese merchants will look upon this question of establishing customs barriers in the same light as their militarists.

As a matter of fact, even if customs barriers are erected along the Great Wall, the Japanese merchanrs with the assistance of their militarists can continue to smuggle their goods to China without interference. It may be recalled that during the Sino-Japanese "war" in Shanghai two years ago, a huge consignment of Japanese goods was shipped to China under the protection of Japanese militarists without paying any import duties. Even a few officials of the local Japanese Consulate have been frequently charged with the abuse of their diplomatic privileges. For illustration, we can offhand cite a very well-known case, in which a number of motor cars had been shipped to China ostensibly for the Japanese Consular use, but later were seized by the Customs authorities because the same cars were placed on sale in one of the local garages. Therefore it can be easily imagined that no barriers can be erected up high and strong enough to prevent the free entry of Japanese goods in a territory which is now dominated with the Japanese influence.

The situation has been permitted to come to such a pass that it will be difficutlt for the Nanking Government to find any effective means to protect its revenue as well as China's native industry. From the standpoint of American and European traders, we can also hardly justify our position when we have, figuratively speaking, closed our doors on three sides and left one door wide-open just for the convenience of our Japanese traders. Therefore, it it high time for our government officials to consider this question seriously with a view to finding relief measures which, while not compromising our stand on non-recognition of "Manchukuo," can effectively cope with this smuggling situation.

Shanghai, April 23, 1934.

CHINESE RAILWAYS

SHANGHAI-PEIPING THROUGH EXPRESS.
(Connected with N.S.L. Nos. 301 & 302)

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
20.45	21.25	PUKOW	1.20	1.40
16.54	16.57	LINHUAIKWAN	5.40	5.43
16.04	16.19	PENGPU	6.19	6.34
13.52	13.57	NANHSUCHOW	8.45	8.50
11.50	12.05	HSUCHOWFU	10.50	11.10
10.02	10.17	LINCHENG	13.00	13.15
9.13	9.16	TENGHSIEN	14.06	14.09
7.40	7.55	YENCHOWFU	15.36	15.56
7.15	7.18	CHUFOU	16.21	16.24
5.34	5.42	TAIANFU	18.05	18.20
3.25	3.45	TSINANFU	20.12	20.42
2.03	2.13	YUCHENGHSIEN	22.05	22.15
0.24	0.39	TECHOW	23.55	0.25
22.37	22.47	POTOUCHEN	2.12	2.22
21.36	21.46	TSANCHOW	3.16	3.29
18.30	18.40	TIENTSIN (C)	6.40	7.00
17.59	18.20	TIENTSIN (E)	7.10	7.35
—	15.05	PEIPING	10.29	—

PEIPING-HANKOW RAILWAY.

14.05	PEIPING	22.00
13.27	CHANGSINTIEN	22.48
9.54	PAOTUNG	2.23
5.50	SHIHCHIACHWANG	6.28
2.19	SHUNTEH	10.01
19.27	SINSIANG	16.45
16.43	CHENGCHOW	19.26
13.59	HSUCHOW	22.08
12.16	YENCHENG	23.51
9.58	CHUMATIEN	2.34
6.10	SINYANG	6.01
3.36	KWANGSHUI	8.36
22.45	KIANG AN	13.15
22.30	HANKOW (Tachimen)	13.25

PEIPING-SUIYUAN RAILWAY.

TIME ARR.	TIME DEPT.	STATIONS	TIME ARR.	TIME DEPT.
9.30	—	HSICHIMEN	—	16.48
8.06	8.16	NANKOW	18.07	18.17
—	—	CHINGLUNG-CHIAO	—	—
1.52	2.07	KALGAN	0.30	0.45
19.34	19.49	TATUNG	7.01	7.21
15.48	16.03	PINGTICHUEN	11.04	11.19
10.56	11.16	SUIYUAN	15.42	16.02
—	7.00	PAOTAO	19.58	—

LUNGHAI RAILWAY.

5.15	—	HSUCHOWFU	—	21.10
0.57	1.17	SHANKIUHSIEN	1.16	1.56
20.47	21.07	KAIFENG	6.20	7.00
18.40	19.00	CHENGCHOW	8.49	9.09
14.45	15.10	LOYANG E.	12.53	13.23
9.30	9.55	SHANCHOW	18.30	18.55
—	6.10	TUNGKWAN	22.15	—

KIAOTSI RAILWAY.

7.35	—	TSINGTAO	—	21.00
5.48	5.50	KIAOCHOW	22.46	22.48
5.06	5.16	KAOMI	23.19	23.30
3.26	3.41	FENGTZU	1.01	1.16
3.03	3.05	WEIHSIEN	1.36	1.39
1.36	1.38	TSINGCHOW	2.55	2.57
28.59	0.01	CHOUTSUN	4.32	4.35
—	22.00	TSINANFU	6.30	—

CHENGTAI RAILWAY.

19.42	—	SHIHCHIACHWANG	—	7.58
18.14	18.16	TSINGCHINGHSIEN	9.27	9.29
16.00	16.15	YANGCHUAN	11.47	12.01
14.48	14.50	SHOUYANGHSIEN	13.50	13.52
12.40	12.49	YUCHIHSIEN	15.25	15.35
—	12.08	TAIYUANFU	16.07	—

SHANGHAI-HANGCHOW-NINGPO RAILWAY.

STATIONS UP.		Zku-Nkg Express R. Through	Express R.	STATIONS DOWN.		Express R.	Nkg-Zku Through Express R.
ZAHKOU	d.	7.45	17.30	SHANGHAI, N.	d.	7.50	15.00
HANGCHOW	d.	8.15	17.55	JESSFIELD	d.	8.07	15.17
CHANGAN	d.	9.06	18.53	SICCAWEI	d.	—	—
YEHZAH	d.	—	19.25	SHANGHAI, S.	d.	7.55	—
KASHING	d.	10.17	20.05	SUNGKIANG	d.	9.05	16.05
KASHAI	d.	—	20.31	FUNGCHING	d.	—	—
FUNGCHING	d.	—	—	KASHAI	d.	9.51	—
SUNGKIANG	d.	11.25	21.20	KASHING	d.	10.25	17.20
SHANGHAI, S.	a.	—	22.25	YEHZAH	d.	11.01	—
SICCAWEI	d.	—	—	CHANGAN	d.	11.34	18.25
JESSFIELD	d.	12.11	22.16	HANGCHOW	d.	12.31	19.20
SHANGHAI, N.	a.	12.25	22.30	ZAHKOU	a.	12.50	19.35

NANKING-SHANGHAI LINE.

STATIONS UP		Express R.	Thro. Exp. Zku-Nkg R.	S'hai-Peiping Thro. Exp. (No. 302) R.S.	Night Express R. S.	STATIONS DOWN		Thro. Exp. R. Nkg-Zku	Express R.	Night Express R. S.	Peiping-S'hai Thro. Exp. (No. 301) R.S.
SHANGHAI, N.	d.	8.00	13.00	16.05	23.00	NANKING	d.	8.00	17.00	23.00	24.00
NANSIANG	d.	—	—	—	23.33	CHINKIANG	d.	9.25	18.25	1.00	1.54
KUNSHAN	d.	9.05	14.15	—	—	TANYANG	d.	10.07	19.05	1.52	2.43
SOOCHOW	d.	9.50	15.00	18.04	1.13	CHANGCHOW	d.	11.01	20.00	3.05	3.51
WUSIH	d.	10.41	15.51	18.55	2.13	WUSIH	d.	11.52	20.55	4.07	4.48
CHANGCHOW	d.	11.45	16.45	19.53	3.13	SOOCHOW	d.	12.47	21.50	5.13	5.52
TANYANG	d.	12.33	17.36	20.48	4.23	KUNSHAN	d.	13.26	—	—	—
CHINKIANG	d.	13.16	18.20	21.34	5.14	NANSIANG	d.	—	—	6.54	—
NANKING	a.	14.30	19.35	22.55	7.00	SHANGHAI, N.	a.	14.25	23.30	7.20	7.55

NOTICE

1. Children under four years of age are carried free, children under twelve but above four years of age at half fares and children of twelve years of age and over must pay full fares.
2. For Local and Through Traffic, the following free baggage allowances will be granted to each passenger:—

1st class passenger	80 kilogrammes (142 catties)
2nd class passenger	60 Kilogrammes (100.5 catties)
3rd class passenger	40 Kilogrammes (67 catties)

Half of these quantities will be allowed on each child's half ticket of each class respectively.

3. Any weight of baggage in excess of the free allowance will be charged at the rate for the minimum quantity of 20 kilogrammes (33.5 catties) of $0.002 per kilometre per unit of 20 kilogrammes.
4. In case of any holder of Local or Through ticket who abandons his journey en route and desires a refund on the unused portion of his ticket he must apply in person, and produce his ticket for endorsement to the Station Master where the journey is abandoned. Application for refunds must be made as soon as possible after endorsement and must in any case be made within TEN DAYS of the date of expiry of the availability of the ticket which has been endorsed.

Japan-Manchukuo-China Economic Bloc

BY CHEN FU-SHENG (陳福生)

RECENTLY, Japan has attempted to form a "Japan-China-Manchukuo-Bloc." Japan's attempt to force China to recognize Manchukuo is a step preparatory to formation of an economic alliance. Without China's recognition of Manchukuo, the alliance is an impossibility. Japan is threatening an invasion of North China—this is nothing but a veiled threat to press her demand regarding Manchukuo recognition.

Eugene Chen, we remember, has said: "China is at once an end and means in the scheme of conquest which the Japanese General Staff have been working out since September 18, 1931." Japan's first aim is to subjugate China. The domination and use of the material resources and man-power of China as well as the possession of strategic Chinese centers are equally vital to Japan in the event of war with other powers. The so-called "Japan-China-Manchukuo-Bloc" is merely an attempt to dominate China's material resources.

Japan takes it that her crisis will come in 1936 and she is doing her utmost to cope with the crisis. She has left no stone unturned in bringing about the complete subjugation of China. A sugjugated China is undoubtedly a Japanese means. Unless China recognizes Manchukuo and forms an economic alliance with Japan, Japan will, in all probability, launch a new military campaign in North China, thus forcing China to accept her terms. How the National Government will deal with the situation is a problem of great interest. To adopt a policy of procrastination is, at any rate, a great blunder.

Japan Wants to Divide and Rule China

To simplify the matter of subjugating China, Japan resorts to Bismarck's tactics of "divide and rule." Japan wants to see China divided against herself and torn by internecine warfare. A chaotic China falls a prey to Japan's ambitions in the Far East. This explains why the Japanese have stealthily given material support to Chinese rebels. Nine cases out of ten, Japanese have pulled the wires behind the separatist movement in China. The Fang-Chi rebellion, Shih You-san's rebellion, etc., were backed by Japanese.

Japanese newspapers in China have fomented sedition or tribal dispute. The relations between Nanking and Shantung are cordial and yet Japanese say there is rift within the lute. The strained relations between Nanking and Canton have eased a great deal and yet Japanese observers still see great tension. Some even forecast an armed clash in the nearest future.

Of interest in connection with Japanese-colored propaganda, is a statement appearing in the *Min Pao* (April 12), a Japanese-owned newspaper in Foochow, to the following effect:

"From an undesignated source, it is learned that the Kashgar Independent Government has sent a circular telegram to all the Mohammedans throughout China, urging that the National Government, a government of Hans, has oppressed other tribes and that the people of Sinkiang, Kansu, Ninghsia, Kokonor, must have a government of their own. This indicates quite conclusively that China's frontier provinces are seceding from China. The Chinese government can hardly arrest the disruptive forces at work."

Technical Collaboration Between China and Other Nations

Recently, China has made considerable progress in spite of difficulties. The National Government has made efforts for Chinese reconstruction, Although in many things it has failed, it has accomplished much. With a view to developing the existing resources and future economic possibilities in China to the fullest extent, the present government has entered into a close economic and technical collaboration with the League. This, however, meets Japan's strong opposition, as it would have the effect of nullifying her ambitions with respect to the formation of a "Japan-China-Manchukuo" economic bloc. Japan insists that the natural resources of China are to be exploited by her. That China appeals to the League for assistance in the primary task of national re-construction seems, to Japan, detrimental to her interests in China and threatening to the peace of the Far East. Japan considers herself as the dictator of Asia. The Open Door policy in China is an open-door policy for Japan alone.

As Japan is China's nearest neighbor, no Chinese with a grain of common sense will deny that economic collaboration with Japan, which is of vital interest to Japan, is of equal interest to China. The Japanese, nevertheless, do not want to collaborate with the Chinese, but to exploit them. Japan does not rest satisfied with the outright annexation of Manchuria; she casts covetous eyes on the rich resources in China Proper and Inner Mongolia. Japanese military thought is dominated by the conception of the inevitability of Japan's third "decisive war" with some other Power or Powers. To prepare for the war, Japan takes steps to subjugate the whole of China. There is possibility, if not probability, of Japan's forcing China to discotinue collaboration with the League and to establish closer economic relations with Japan.

Unprecedented Crisis

The present crisis of China is of exceptional gravity and has no parallels in history. The western Powers are not in a position to curb Japan's ambitions; they merely give Japan rope enough to hang herself. China must think of a way to deal with her crafty neighbor. To recognize Manchukuo and to form an economic alliance with Japan and Manchukuo is tantamount to abject surrenrer on the part of China. To ignore Japan's demands would invite further complications. Verily, China is in a dilemma.

In the *Min Pao* (April, 15), a Japanese organ in Foochow, appears the following statement:

"The Nanchang Conference is a success. The report that Chiang Kai-shek and Wang Ching-wei have accepted Huang Fu's recommendation of conducting negotiations with the Japanese regarding the 'railway and postal' problem is confirmed. Wang Ching-wei, it is said, has instructed the Peiping railway authorities to make due preparations for traffic negotiations. With the return of Huang Fu to Peiping, these negotiations will proceed smoothly. A political storm is, however, brewing in Nanking. The Legistative Yuan has been noted for its anti-Japanese activitives. What attitude it will take toward the Nanchang Conference remains to be seen."

If this Japanese statement can be accepted without reserve, there is likelihood of China's recognizing Manchukuo *de facto*—and that is regrettable from every point of view.

Foochow, April 15, 1934

The Recognition of Manchukuo

Editor, *The China Weekly Review*:—

Many attempts have been made by the Japanese Government to insist that China should come to an agreement on the through postal and railway traffic communications with Manchukuo. As it involves the recognition of Manchukuo, no successful result has ever been reached. China, as the parent state of Manchukuo, is chagrinned to see a part of its territory detached from her domain and a portion of her population separated from their brethren dwelling inside the Great Wall. She has not ceased the hope to recover the lost territory; the contest between the parent state and the insurgents has not been decided and China has not relinquished the responsibility for both the internal and external rights and obligations of the lost territory. She has no inclination to make any agreement with the insurgent government—thus leading to the recognition of Manchukuo.

On the first of March 1934, Manchukuo declared its independence and Pu Yi was put on the throne as emperor. In order to be admitted into the family of nations, Manchukuo must have its independence recognized by other states, especially by its parent state, China. If its independence is recognized by China, the recognition of other states is not hard to be secured. States may accord recognition previous to the recognition by its parent state for the sake of their special conveniences, but such a recognition is always regarded as premature and unjustified—which may result in war just as the recognition of the Independence of the United States by France in 1778, which was followed by a declaration of war on the part of Great Britain. So the insurgent government have been trying hard to force the way of recognition through China by every possible means. If China concedes such an agreement, it means that China accords the *de facto* recognition of independence to Manchukuo. When she is so recognized, she may act freely in the diplomatic relations with other states without the interference of its parent state. However, the establishment of the independence of Manchukuo may be a prelude to its final annexation or incorporation. With the hope of recovering the lost territory, China must withhold the recognition of Manchukuo by refraining to make any agreement with the insurgents.

Historically and politically, Manchukuo is a part of China proper. It was only detached from China with the aid of the Japanese forces. Now, the Japanese Government press a step forward to make China accede to an agreement on through postal and really traffic communications with Manchukuo. This action is to force China to recognize the independence of Manchukuo. If China refuses to come such an this agreement, the transit of goods and postals through the two territories may be done under Japanese escort. If China accedes to this agreement, it shows that China accords a tacit recognition to Manchukuo. China is, now, in a position of dilemma. The attitude for her to take is to ignore the present situations and wait for the immediate developments of the sanctions of the world.

Shanghai, April 21, 1934. H. K. CHANG.

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Some Observations on the New Life Movement

Editor, *China Weekly Review* :—

A study of the ninety-six articles of regulations of the New Life Movement advocated by General Chiang Kai-shek shows that it aims at teaching people how to live a common-place, reasonable life. A man who can follow and practice all these articles in his daily life is still but a very common-place man. Practically, the aim of the movement is to teach him some common sense and basic principles of life; no high ideals whatever are involved. If the movement is interpreted, as most people do today, as one of the chief means "to save the country," it is a ridiculous exaggeration.

We should be quite clear in mind that the New Life movement ought to be not a political, but an educational, movement. Life is habit and morality; it is also a matte of habit. But habit is not formed all at once; it requires a very long period of time. All propaganda work of the movement is but temporarily effective in teaching people in what direction they should go, what certain things they should achieve in life, and what certain bad habits they should get rid of. Fundamentally to require a people to adopt a radical change in their habits of life is a work of education—school education, family education and an intelligent public opinion. What politics can do for the movement is little; education must, in the long run, contribute a great deal.

Thirdly and lastly, we must remember that the foundation of living is economic and material. People must be first of all, economically sufficient to live a life, then they may be able to know to enjoy life. China is now-a-days poor to the utmost degree. Most of her people are so miserable and poor that they are really not living the life of men, but of beasts. They are trying to be better, but they are too poor! If we expect them, under such an economic conditions, to live a life as orderly, reasonable, and civitized as that of the Western people, how could it be! In view of this we come naturally to the conclusion that if the government is to take up the New Life movement as its own task it must try to do three things step by step. She must first of all make her people able to live; then she is to help to increase their living power; and lastly she may teach them to live a New Life.

J. B. Koo.

Kiangsu Provincial High School, Shanghai, April 17, 1934.

Swedish Match Trust Suggests Agreement to Japanese

An agreement between Japan and Sweden regarding the sale of matches in the world markets was proposed by Walter Carter, a representative of the Swedish match trust, in a discussion with the Japanese Ministry of Commerce and Industry, in Tokyo April 18. Shinji Yoshino, Vice-Minister, howevever, replied that a definite proposal containing Sweden's views on the matter of such an agreement should be submitted to the Ministry and, if it then seems feasible, the Ministry would advise the match producers to open negotiations.

How Manchuria is Being Converted Into a Japanese Colony

BY EDGAR SNOW

(Reprinted from the Saturday Evening Post)

OBSERVE for a moment the outer envelope of it all, composed of what Chinese patriots derive rueful comfort from calling "the puppets." First of them is Chief Executive Henry Pu Yi, twenty-eight years old, who, under the reign title Hsuan Tung, used to be Manchu Emperor over four or five hundred million Chinese. How he was spirited from his Tientsin home in 1931, and transported back to the land of his ancestors under the direction of the now celebrated General—then Colonel—Dohihara, is a story too familiar to repeat.

Salaries Paid in Manchukuo

As Prime Minister, Pu Yi has his aged tutor, a Confucian gentleman and scholar named Cheng Hsiao-hsu, who once held high office under the Manchu dynasty. An exquisite calligrapher, Cheng is best known as the somewhat mystical but charming messiah of Manchukuo's official religion, Wang Tao, or the "Kingly Way," a reactionary Chinese socio-political philosophy wherein men at the top are educated to govern autocratically, but justly, benevolently, magnamimously. Despite his seventy-five years, Cheng is an intellectually active man. He is said to be the only prime minister in the world who can write readable verse, not excluding J. Ramsay MacDonald.

Cheng theoretically presides over the State Council, or cabinet, which is composed of the Chinese ministers of the eight departments of government. There also exists a privy council, with five or six gentlemen who advise Pu Yi on various privy matters, a supervisory council, and a legislative council, members of which are appointed by the Japanese.

Candid Japanese admit that the elaborate coating of "Chinese Lacquer" is costly. Calligrapher Cheng, for instance, draws about M. Y.—Manchukuo *yuan*—40,000 a year, or more than four times as much as the Yen 9,600 which the prime minister of Japan is able to extract from what is left of the annual budget after offensives led by former War Minister Sadao Araki. A Manchukuo minister gets Yen 25,000 a year to a Japanese minister's Yen 6,800. But what irks many Japanese bureaucrats is that American Editor George Bronson Rea, Manchukuo's "good-will envoy" to Washington, does even better than the Chinese. He receives a sum equivalent to about Yen 70,000—more than anybody but the ex-Emperor himself.

Japanese Molders of Manchukuo

Several other important government organs, functioning on the same status as ministries, and headed by Japanese, include boards for Hsinkong capital construction, for state highways, and for the administration of Hsingan, the Mongol province carved from Western Heilungkiang. Finally, and most important of all in the "kingly way" government, is the board of general affairs, which gathers under it most of the real substance of legislative, administrative and executive power.

When its chief was Tokuzo Komai, quixotic Japanese adventurer, who probably did more to shape the embryo of Manchukuo than any man save Dohihara, the general-affairs board was even more powerful than it is today. Under Marshal Muto, who sympathized with many of his planes, he often opposed the higher military authorities in Tokyo; he seems to have wanted to build a certain reality into the "independence" of the new state. At last he became too obstreperous; it was felt that he had out-lived his usefulness, and he was removed. He returned to Japan, to leave a legend in Manchukuo, and a book of memoirs that has gone into many printings.

The death of Marshal Muto, which occurred shortly after Komai's departure, and under mysterious circumstances, marked the end of a stage in colony building. A new era commenced when the mourned marshal was replaced by Gen. Takashi Hishikari. An ardent supporter of Japanese fascism, he is now Ambassador Extraordinary to Manchukuo, commander in chief of the expeditionary forces, and Emperor Hirohito's personal representative. As chief of the general-affairs board, in succession to Komai, he has Ryusaku Yendo, a former prefectural governor in Japan.

Yendo, in character antipodal to the impetuous Komai, is a competent and diligent bureaucrat, a patriot warmly with the army, in which he is said to hold a reserve commission. Unlike Komai, who speaks Chinese fluently, he has had no previous experience in China, but he is an executive who knows how to take orders and produce results. He has become a "Manchukuoan," he says, under the Jap-Manchukuo arrangement providing for dual citizenship.

Very hopeful to me, he stood one day before a huge chart of the government, describing the various departments and how they operate. The work of his board, which is staffed with more than 100 Japanese, is distributed among bureaus, including the following: Supply, finance, personnel, secretariat and information. The supply bureau controls government construction programs, repairs and kindred matters. The finance bureau manages national funds and resources, drafts and regulates the national budget, settles accounts, grants special appropriations. The personnel bureau is a government employment agency of vast powers; it rewards, punishes, demotes, appoints, dismisses, disciplines and fixes salaries for all officials, presumably from the prime minister down. It elects representatives to the legislative council, since there are, of course, no legalized political parties and the people have no vote.

The Powerful General-Affairs Board

As for the secretariat, it proclaims national laws, mandates and military orders. It also concerns itself with the executions of "confidential matters" of the state council, and it has custody of all official seals, communications, government publications, archives and accounts. The information bureau appears to be developing into an indigenous secret service.

In addition to its wide general supervisory powers, the general-affairs board further integrates its control through general-affairs bureaus which exist in every ministry and council. Like the board, these subordinate bureaus are staffed by Japanese, either bureaucrats whose careers are linked with the army, or officers in active service. Each bureau has, within its ministry or council, plenary powers of administration similar to those of the general-affairs board over the state council. Through such bureaus the board manifestly commands the entire government—under Japanese Army direction.

For it is from the Japanese Embassy at Hsinking, a yellow building of brick, fortlike in architecture, and the adjoining new Japanese Army headquarters, completion of which oddly coincided with historic beginnings of conflict in Manchuria, that Mr. Yendo and other Japanese officials take their orders. Here are the men who make Manchukuo history and may swing the destiny of Japan itself. Important among them are:

Ambassador General Takashi Hishikari, tall, slightly stooped, alert beneath his manner of nonchalance; Chief of Staff Gen. K. Koiso, short, brainy and aggressive; Gen. Neiji Okamura, vice chief, the pleasant, smiling man who negotiated the Tangku armistice, with so many advantages for Japan; and Gen. Kenzo Dohihara, archconspirator, "Lawrence of Asia," now back again on the continent as chief of the special-service department of the Kwantung—Japanese—Army.

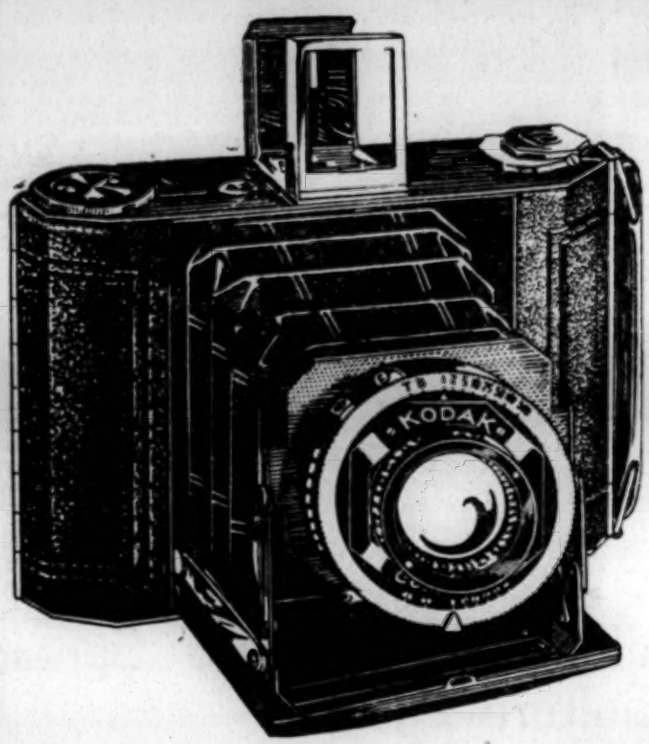
Already these mentors have secured special agreements in which the Hsinking puppets give the army control of nearly everything worth owning in Manchukuo. No secret is made of it. Read, for instance, this illuminating item from the *Manchuria Daily News*, official Japanese organ in Dairen:

> "To dissipate misunderstanding held in some quarters that all enterprises in Manchukuo are under the strict control of the Kwantung Army, the Army has been advised to clarify the facts . . . .
>
> "To be particular, those under Army control comprise banks, posts, railways, telegraphs and telephones, wireless, aviation, slaughter houses, lotteries, horse racing, live-stock markets, forests, gold, iron, coal, petroleum deposits, etc."

The Open Door principle has not been violated, the statement concludes. It appears that the army at present has no intention of engaging in the milk business, distilling, the manufacture of cement, cosmetics, patent medicines, and several other "promising enterprises."

A Railroad Run by Soldiers

But one more hurdle must be crossed before the army stabilizes its present economic and political mastery. That is the South Manchuria Railway, of which the Japanese Government owns the controlling interest. Besides operating railways and administering cities in its 108 square miles of railway zones, the S.M.R. owns and manages great iron and steel works, coal mines, steamship lines, oil refineries, chemical plants, hotels, schools and hopsitals. Its capital was recently increased to Yen 800,000,000. It is the largest concern in Asia, with assets marked at nearly Yen 1,500,000,000.



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Through special agreement—arranged by the general-affairs board—with Manchukuo, the S.M.R. has a monopoly on the financing, construction and management of all new railways, telegraphs, telephones and various public utilities throughout the country. Dominated by the Japanese Army today, in the past it has been the prize plum of political victory in Japan. Each shift in party power there witnessed the replacement of thousands of officials and employes of the S.M.R. The army is determined to obviate that in the future, by legalizing its present *de facto* control. "The S.M.R. has got to cease being a politician's football," as General Koiso puts it.

A significant part of former War Minister Sadao Araki's compaign to use the army's grip on Manchukuo powerfully to liquidate political parties and establish an outright army dictatorship in Japan, the scheme for socalled "socialization" of the S.M.R. is of far-reaching importance. The original plan, as drafted by the special-service department under General Dohihara, calls for the complete reorganization of the company, under army supervision. Detached from cabinet interference, the Japanese commander in chief "shall be invested with the decisive authority to control all economic activities for the development of Manchuria and Mongolia." And for that purpose "the existing special-service department shall be enlarged into an economic-general-staff office over the S.M.R.

What the Chinese Think

Briefly, it is planned to form a huge holding company in which the Japanese Government will retain controlling interest, with private capital—in Japan one giant trust under the Emperor—participating in the financing. The various enterprises of the S.M.R. will then be expanded into sixteen different subsidiaries, under which will be grouped the various phases of economic exploitation of Manchuria and Mongolia. And the whole will then be coordinated under the supreme authority of the economic-general-staff office.

Announcement of this daring proposal last November created a sensation in Japan. It drew forth alternative plans—from the Seiyukai and Minseito parties, the minister of colonies, and the S.M.R. itself. But that in the main they all acquiesce in the army's demands demonstrates how thoroughly political opposition has been emasculated in Japan. It seems inevitable that, with minor modifications, the military will eventually see its wishes realized.

But what of the 30,000,000 Chinese in Manchukuo? What do they think of the bold theft of treasure in what they have been led to believe, for a number of centuries, is part of China? Do they like the new regime, "welcome it with open arms," as the Japanese say—or with firing arms?

For the most part, they do neither. They are indifferent unorganized, and usually peaceful spectators. More than 90% of the peasants, the great bulk of the population, are illiterate, little touched by the nationalism of the south. The Confucian maxim, "He who is not in office has no concern with plans for the administration of its duties," to them seems ripe with common sense.

Men of a race which traditionally absorbs its conquerors, believers in the Tao, which says, "Leave all things to take their course, and do not interfere," they mostly accept the new status with philosophic calm. What was Chang Hsueh-liang to them? What price Chinese rule for Chinese? "No government is good," several of them said to me, "but if its taxes are low, it can be tolerated." And in wisely lifting many of the notorious militarist levies from the farmer, the Japanese have gone far toward winning his submission, if not his good will.

Nevertheless, banditry continues to engage the attention of some five divisions of Japanese troops, and more than 100 airplanes. Patrol cars and pill boxes along railways are grim reminders of the still-frequent attacks on trains and settlements. But Japanese point out that existing banditry is "about normal" in comparison with years in the past. They think it noteworthy that the rebels—what are called "political bandits"—have nearly all been liquidated.

It is true that organized insurrection has virtually collapsed since the withdrawal of Chinese support for the volunteers, following the Tangku armistice. Bandits who thrive now are largely professionals, the *hungbutze*, or Red Beards, long an institution in this wildest of Asia's frontiers. Estimates of their numbers vary greatly; probably the figure of 60,000, at which they are placed by the Japanese command, is a minimum. Certainly they have been substantially reduced from the 300,000 anti-Japanese irregulars who roved the country before the expulsion of Ma Chan-shan and other rebel leaders.

The Way to Bandits' Hearts

General Hishikari regards present lawlessness as largely an economic problem. "Feed them," he tells you, "and watch them change. The big fellows have been annihilated, and the rest, given a chance, would probably agree to live decently. We are giving them their chance—settling some on farms, giving others work on the roads, even establishing schools for them. Only the incorrigibles will have to be shot."

Less sanguine pictures of the situation were painted by such Chinese as dared talk freely with me, and by foreigners resident here. Thry tell tales of secret terror societies which almost daily assassinate Japanese officials and residents, even within the railway zones. They tell also of daily executions by Japanese of "scores"

of Chinese, without trial, as suspected leaders of rebellions, as Reps, and simply as anti-Japanese, As for common bandits, they think it will take the Japanese years to rid the country of them. They agree, too, that one of the main handicaps to bandit suppression are the Manchukuo troops, which number about 50,000 men, officered by Japanese.

"You see," said a foreign missionary who had witnessed several bandit raids, "most of these native soldiers were bandits themselves once, and they know all the leaders. When the Japanese used to send them out on patrol, they seldom fought bandits, but sold them their bullets. The Japanese soon discovered this, and tried to stop it. They made a regulation that no soldier could get new ammunition till he had returned his empty shells, showing he'd used them. That happened? The bandits now save their empties, to give the soldiers—one for each bullet they buy. Thus, everybody is happy. The bandits get bullets, the soldiers get silver, and the Japanese get their empty shells."

"Possibly true," admitted General Okamura in an interview, when I told him this story. "But of course much the same thing has been going on in Manchuria for years. It has always been a problem to keept Chinese soldiers from fraternizing with the outlaws they are supposed to suppress. That is one reason why there are so many bandits in China."

Curiously, the Chinese most bitter against Japanese rule seem to be those making money from their regime. Drawn mostly from the small group of middle school and college graduates, they have a conscious Chinese nationalism, and are aware of their "disgraceful position." They deplore the total lack of freedom of press, speech and assembly—although in China no Chinese have such privileges. Several Chinese officials to whom I had letters from friends below the Wall confided to me their covert hatred and disgust with prevailing scenes. One Western-educated official—it would br disastrous were I to name him—was especially indignant when he came to my room one night, swore me to secrecy, and exploded:

"Don't think that all Chinese in government offices are here because they like it. They can be divided into four classes. First, those working frankly to make money, with the cynical philosophy that somebody will make it, why not they? Second, those like 'Wang Tao' Cheng, who long for a Confucian revival, and naively think the Japanese are going to put the clock back. Third, those who become puppets as alternative to losing their property and their heads. Fourth, those who stay because if they fled their families would be massacred.

"Only a few of us are in classes one and two. Most of the puppets are here for reasons not their own."

Many Chinese officials share his non-cooperative sentiments—what in India is called *satyagraha*. Their presence in district and municipal government often benefits lawless elements, whom they secretly encourage. Probably lack of Chinese co-operation may eventually give pretext for the abolition of the puppet system entirely, which many Japanese admit does not work satisfactorily. It is now urged, for instance, that an all-Japanese police force be organized in Russian-made Harbin, once delightful, today notorious as a place of living death, the worst-governed city in Manchukuo.

Probably in no other great city of the world is life so precarious. Harbin residents, including about 100,000 White and Red Russians, who here bend to the law of the yellow man, risk their lives if they go unarmed anywhere, even in daylight. Holdups, robberies, murders, kidnapings, are common occurrences.

(To be Continued)

Japanese to Spend Millions of Yen to Spread Nipponese Culture Abroad

A Society for International Cultural Relations (Kokusai Bunka Shenko Kai) was inaugurated in Tokyo April 18. The leading spirits in the new organization are Count Aisuke Kabayama, Marquis Yorisada Tokugawa, Viscount Chokei Okabe, Baron Seinosuke Goh, Dr. Masaharu Anezaki, and Dr. Saburo Yamada. The society has received permission from the Foreign and Education Ministries to organize as a juridical body

The plans and ideas which led to the formation of the society, the nature of its aims and what objectives it intended to fulfill, were outlined at a luncheon April 12 by Count Kabayama and Dr. Yamada, who explained that the Society is to serve as a clearing house for all the Japanese people, who should cooperate and unite as one body in the promotion of international relations. The speakers asked the Japanese nation to support the new society both materially and morally It was mentioned that the establishment of an International Culture Bureau in the Foreign Office with an annual budget of Yen 1,700,000, was considered by the last ssesion of the Diet, but, due to difficulties in national finance, was rejected. The need for such a program by the nation was so seriously felt by influential leaders, Count Kabayama explained, that efforts were continued to establish an organization of a cultural society among the people themselves. The new society was able to convince the authorities of its importance, and the Government made a grant of Yen 200,000 toward the organization. Aside from this fund private donations have reached over a half million yen, the Count said, adding that this was an optimistic indication for the society. Dr. Yamada in his speech mentioned that Japan, as one of the Five World Powers, must have a national organization which will inform and enlighten peoples of other nations about her culture and civilization. The Society for International Cultural Relations, he declared, requires two or three million yen to further its plans. He expressed the need also of newspapers and periodicals unifying national thought toward that end. It is said that the Mitsui, the Mitsubishi and other interests have contributed handsomely towards the funds of the new society, total subscriptions already reaching Yen 1,000,000. The enterprises to be undertaken this year will include the dispatch of scholars and artists abroad, exchange of professors and students with other countries, provision of chairs of Japanese culture in the principal foreign universities, establishment of Japanese language schools abroad, financial help to cultural organisations at home, financial help to international cultural organisations abroad, introduction of Japanese music and plays to the foreign public and encouragement of the visit of instructors in Japanese sports to foreign countries.

Mr. Ishi Says Anti-Japanese Movement in China Has Been Driven Underground

When Mr. Ishii, the Japanese Consul-General at Shanghai, was interviewed by the *Kobe Yushin*, April 12, on his way to Tokyo to confer with the Foreign office, he said that the anti-Japanese movement in China has been driven underground. Anti-Japanese bills and posters are hardly met with, he said, but as there is reason to believe that the movement has become more systematic, though much less obtrusive, there is no occasion for optimism. Japanese merchants are not harassed directly, but Chinese users of Japanese goods are subjected to harsh treatment, he said.

Japanese Protest to Brazil on Immigration Restrictions

The Brazilian legislators who have been working for the insertion of an anti-Japanese immigration clause into the Constitution, presented a substitute amendment Bill April 14 stipulating that the number of immigrants of each country entering Brazil annually cannot exceed two per cent of the total number of the immigrants of that respective nationality already settled in the country during the late fifty years. Although this amendment Bill is on the surface designed to restrict all alien immigrants indiscriminately, the Japanese Government considers it in substance an anti-Japanese Bill; therefore it cabled instructions to Ambassador Hayashi in Brazil to intimate to the Brazilian Government Japanese hopes that no legislation would be adopted there that might prove a breach to goodwill between the two countries.

Japan Will Insist on Revision of Present Naval Ratios

A Tokyo message April 21 stated that Japan's policy for the 1935 Naval Disarmament Conference, which is to be held in Washington, will be definitely drawn up by the end of next month. Japan will concentrate her efforts at the forthcoming conference on bringing about a revision of the present 5-5-3 ratio, so that she would be entitled to naval parity with Great Britain and the United States. Japan will continue to oppose the complete abolition of submarines as advocated by the United States and Great Britain if the same or a similar proposal comes up at the 1935 session.

Admiral Osumi, Japanese Minister of the Navy, in a recent interview said that if the Washington Treaty is to lapse at the end of 1936, one of the signatory Powers must give notice to that effect by the end of this year. No decision had yet been reached as to whether the initiative in the matter should be taken by Japan or not, he said.

Japanese Militarists Hold Mass Meeting in Tokyo Park

The gravity of the international crisis expected by many Japanese quarters in 1935 and 1936 when Japan's withdrawal from the League of Nations becomes effective next March, was emphasized as a "life and death" problem for Japan, requiring

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all the physical and moral strength of the nation, at the first general meeting of the Meirinkai, a nationalistic organization composed mostly of retired army and navy officers in Hibiya Park, Tokyo, April 15. General Kunishige Tanaka, retired, military attache of the Japanese Embassy in Washington when the first Washington Conference was held there, said, among other things: "Behind America-Japan diplomacy as it is carried on by Foreign Minister Hirota, are huge military preparations in America, including the strengthening of fortifications, naval bases and the air forces, which is indeed most unreasonable. This requires upon our part a strengthening of our own nation and our people for the dangers that beset us."

Yen to Be Still Further Debased—Tokyo Bond Interest Unpaid

Yutaro Tomita, former chief of the Accounting Bureau in the Tokyo Finance Office who is en route to his new post in London as financial commissioner, caused a sensation in San Francisco April 14 by stating that the eventual devaluation of the Japanese yen is inevitable. Compared with the French gold franc, the yen's exchange value has dropped approximately 65 per cent, Mr. Tomita pointed out.

The only resource French holders of City of Tokyo 1912 bonds have to combat the Japanese default on interest payments appears to be to induce the French Government to apply diplomatic pressure on Japan when some occasion for negotiations arises, Alexandre Conty, former French Minister to Peiping, declared in Paris April 11.

Finance Minister Takahashi held a joint conference of Finance Office leaders and executives of the Bank of Japan and the Yokohama Specie Bank at his official residence, April 13. The meeting was called, it is stated, in view of the fact that the international exchange, finance, and trade outlook is stormy, with ample possibility of having a severe effect upon Japan's domestic financial welfare. Such an international situation also has a direct bearing upon the smooth operation of such programs as the Bank of Japan's gold purchasing, trade protection, and other important economic policies, not to mention the "crisis of 1935-36," "devaluation of the Japanese yen," and "financial reconstruction" which are the three major problems in Japan. The Finance Office, the Bank of Japan and the Yokohama Specie Bank authorities are cooperating with each other so as to work out a fundamental policy.

Tadao Kikukawa, Japan's labor delegate to the 18th International Labor Conference to be held at Geneva in the early part of June, and other members of the Japanese labor delegation were present at the joint executive committee meeting of various labor organizations in Osaka April 18 to consider the attitude to be taken by the Japanese labor delegate at the forthcoming international labor conference.

Sir William Peel, the Governor of Hongkong, who is visiting Tokyo, was the guest of honor in Tokyo April 19, at a luncheon party given by the Japanese Foreign Minister, Koki Hirota, at his official residence.

The bow of Submarine RO—59 was damaged in a midnight collison with an unidentified vessel in Tokyo Bay April 19.

Corruption in Japanese Government Circles

The question of the corruption of government officials, which had been raised by various members in the last session of the Japanese Diet is now taking a serious turn, as the result of the continued severe investigations by the authorities concerned. According to *Rengo*, a certain Minister of the Government seems to have been implicated in a certain important case, and the Cabinet is now placed in a difficult position in the face of the disciplinary talks that had been repeatedly argued in the last Diet.

The Japanese Home Department has decided to build a suspension bridge over the Kwanmon straits connecting Moji and Shimonoseki at a cost of Yen 20,000,000. The project to dig a tunnel has been abandoned.

Japanese Intellectuals Emigrate to South America

Fifty-five young Japanese men and 34 young women, including 20 couples, who are emigrating to the new settlement along the River Amazon, departed from Yokohama April 8. They are the first batch of young Japanese intellectuals who are seeking an outlet in South America. They are graduates of the Japan Higher Colonization School.

The Bureau of Social Affairs of the Home Ministry has announced that the number of unemployed in Japan on December 1 last had decreased by 6 per cent from the previous month.

Beginning from October next, the Ministry of Railways will speed up all the trunk lines in Japan. Besides cutting the time between Tokyo and Changchun by 11 hours, the time of ordinary trains between Tokyo and Shimonoseki will be shortened by an hour—that of the special express by an hour and a half.

Japanese Land Lease Titles Renewed at Soochow

Regarding recent reports that the Japanese intend to give up their Concession at Soochow, a *Rengo* telegram April 19 stated that confusion arose through the fact that land lease titles have

to be re-registered with the Chinese authorities every thirty years under the terms of an agreement signed between the Japanese and Chinese governments on March 5, 1897. Since the stipulated 30-year period elapsed recently, a large number of Japanese lease holders applied for re-registration. This gave rise to the report that the Japanese were giving up the concession. The leases are permanent, provided the registration formalities are observed, the report added.

New Japanese National Socialist Party to Be Formed

Another Japanese national-socialist party will be established April 29 comprising a large number of members of the Japanese Federation of Labor. Shozo Ohya, Eizo Kondo, Yuzo Shimanaka and Kojiro Matsutani are among the leaders of the new party. Junjyuro Ishikawa, another proletarian leader, at first associated with them, bolted to organize his own "nazi" group on Feb. 11, Japan's empire day. The name of the party to be created on said date has not yen been selected.

Too Much Radicalism in Japanese Peerage

The Imperial Household Department recently circularised peers throughout Island Empire calling attention to the fact that the peerage has recently produced many depraved and radical scions and reminding them of the necessity of correct behavior on their own part, and on that of all members of their families so that the peers may prove to be models for other classes, and form a bulwark of the Imperial Household.

In the Tokyo Court of Appeal Apr. 20, the public procurators, handling the second Communist Party case, demanded of the court slightly lighter sentences than imposed at the courts of first instance on the five revisionist Communists, who disavowed allegiance to Moscow.

Ikki Okamoto, a Seiyukei member of the House of Representatives, who had filed a charge with the Tokyo Gendarmerie headquarters alleging that Mr. Koyama, Minister of Justice, had been entertained in a Tokyo restaurant on March 31, 1932, by a lawyer representing a number of defendants in Communist cases, was indicted in Tokyo April 25 on a charge of slander and inciting to perjury.

Korean Communists Said to Have Secured Arms in China

More than a hundred Korean Communists have been arrested in the northern district of Korea, since February. Some of then secured arms from China, the conspirators plotting riots all over the peninsula and instigating miners and workers in munitions factories to a general strike.

⁂

Japan's Athletes Will Sail from Kobe for Manila April 29

It was announced in Tokyo, April 21 that Japan will be represented by 142 athletes and 33 officials at the Far Eastern Olympic Games to be held at Manila next month. The players and officials will sail from Kobe for the Philippines April 29 aboard the *s.s. Heiyo Maru.*

A body of students and sympathizers appeared at the Takashimaya Department store in Tokyo recently when a number of the athletic team selected to represent Japan in the Far Eastern Olympic Games, had gathered there. The students read a statement opposing the decision to send a team to Manila as unpatriotic. The statement claimed that a definite promise was given to Manchukuo by the Physical Culture Association that in the event of Manchukuo not being allowed to parricipate, Japan would boycott the Games.

As a result of the decision of the Japan Athletic Federation to take part in the Games, the representatives in Tokyo of the Manchukuo Amateur Athletic Federation issued a statement severing all relations with the Japanese Amateur Athletic Association "so long as it is led by the present officials." In reply to the Manchukuo protest the Japan Amateur Athletic Association sent a note to the Manchukuo representatives turning down the protest on the ground that the Manchukuo side misinterpreted private agreements to be official. In regard to the Manchukuo allegation that an official agreement reached between the two organizations on March 2, to hold a joint conference of the matter, reached "the worst point," the Association's note explained that the Association meant to consider further steps to obtain Manchukuo participation at such a joint conference, but not to discuss Japan's participation or non-participation.

⁂

Huge Lots of Firearms Smuggled into China by Japanese

The Japanese police April 11 lifted the ban on the publication of news concerning a group of pistol smugglers which operated extensively for several years in the secret shipment of firearms from Japan to China. Of the ring's 34 members, 30 are in jail, including the ringleader Azuma Oda, who was arrested last February 8 and whose confession resulted in the detenrion of the others. Oda, it is said, accumulated a fortune of Yen 1,000,000 by importing parts of pistols, assembling them at firearms repair shops in the Kwansai and smuggling the weapons into China throngh Tientsin and Tsingtao. One of those held with Oda, Ichikuma Ono, gained fame for valor in the Russo-Japanese War. He formerly was a police sergeant of Hyogo and Osaka Prefectures. The group also includes two women, wives of seamen, and several seamen of the Nippon Yusen Kaisha, Osaka Shosen Kaisha and the Harada Steamship Company.

⁂

Japanese and Chinese Fishermen Stage Battle in Yellow Sea

When the Dairen fishing trawler, *Kaga Maru* II, returned to port April 19 in a damaged condition with four members of her crew suffering from wounds it was learned that there had been a pitched battle between the crews on several Chinese fishing boats and the Japanese crew on the above-mentioned boat, 65 miles from Dairen, in the Yellow Sea. The fight commenced over their respective fishing nets becoming entangled. The Chinese, according to the Japanese trawler captain, attacked with iron rods, and although the Japanese were outumbered they fought off their attackers.

North Kiangsu Poppy Growers Resist Restriction

The Kiangsu provincial government has decided to dispatch a strong army to the northern part of the province where the villagers, in defiance of the recent government order, have taken drastic measures in preventing the provincial armies from cutting the poppy sprouts in that districts. Inhabitants of the Szeyang districts, armed with rifles and iron bars, are reported to have seriously injured the secretary of the magistrate who is now in critical condition at a hospital in Tsiangkiangpu. The inhababitants are quoted as having said that they would rather die than to see their opium plants destroyed.

Anhui Opium Farmers Rise Against Soldiers

A report received in Nanking states that the people at Chaohsien in northern Anhui have organized themselves into Red Spears Corps for the purpose of protecting their poppy plantations. The organization was formed because of the latest decisions of the Anhui Provincial Government to prohibit the production of opium in the province.

The cultivation of opium-poppy in eastern Charhar has almost been eradicated, according to a telegram from General Sung Che-yuan, Chairman of the Charhar Provincial Government, who is touring that part of the province.

Heroin Found Concealed in Fruit—Woman Arrested

A quantity of heroin, valued at more than $1000, stuffed in oranges, cigar, tooth-paste tubes, tooth-powder packages and nine cotton cartridge belts, was seized by the river police on board a ferry boat near Lay Road jetty April 19. A woman, the lone passsenger, was arrested. Taken to headquarters, the woman said that she was employed by her master to deliver the "fruits" to a relative.

A total of more than 15,000 ounces of narcotic drugs and 20,000 pieces of opium paraphernalia was burned in Nanking at the premises of the Nanking District Court April 17 in the presence of a large group of representatives of the various Government organs and civic organizations. The articles were confiscated by the Court during the past half-year.

Central China College President Will Speak at Yale Summer Seminar

President Francis Cho-min Wei, of Central China College, Wuchang, China, will discuss "Education and Culture Contacts in China" at the Yale University's fourth Summer Seminar in Education, which will be held in New Haven, Conn., from July 30 to September 8. Mr. Wei's lectures will include the conflict of cultures in China, and an outline of the ancient and modern educational systems, with suggestions for the development of a system in keeping with China's needs today. The Yale Seminar will be devoted to a study of the social, religious, and educational problems which arise in areas where different races and cultures come into contact with one another. Professor Charles T. Loram is the director of the 1934 Summer Seminar; his address is Department of Education, Yale University.

Central Bank of China Has $67,939,191 in Circulation

The Central Bank of China as of April 20, according to the report of the supervisory committee, had a total of $67,939,191 of dollar notes and subsidiary coin in circulation. The reserves to an equal amount included cash $55,023,191; securities reserve, $12,916,000. Customs gold notes in circulation, C. G. U. 373,-324.70, fully secured.

Manchukuo "Brain Trust" to Aid in Rehabilitation

As a result of the visit to Japan of the Manchukuo Goodwill Envoys, the proposal to form the so-called "brain trust," consisting of a new planning bureau for the political and economic rehabilitation of Manchukuo is expected to be realized upon the return to Changchun of the Friendship Mission, according to a *Rengo* message of April 19. The chief work of the proposed bureau is to establish an independent economic policy for the agricultural development of the new State and for the scientific reform of the administrative system.

Refugees from Manchuria Find New Homes in Seiyuan Province

General Chu Chi-ching, a former Commander of the North-eastern Volunteers who is now in charge of the despatch of refugees from the Northeatern provinces to the North-west for reclamation work, stated at Peiping April 22 that a large area of arable land capable of accomodating 1,000 people had been found at Yunganpao, west of Linho, in Suiyuan province for settlement. Up to date, approximately 700 refugees had registered with the reclamation office in Peiping. They will be despatched to Yunganpao by train.

U. S. and British Oil Sales Increase

A Mukden message of April 7 stated that sales of the Texas Co., Standard Oil Company, and Asiatic Petroleum Company have taken a sudden spurt in recent months, apparently due to the sudden drop in Soviet oil shipments to Manchuria, where the Soviet Oil Trust has failed to comply with the terms of its sales contracts with the Manchuria Aviation Company and the Taitsung Company.

Jehol Lamaseries to Be Restored

The Manchurian Cultural Society, in cooperation with the Manchukuo Department of Education, plans to spend $1,000,000 in a ten-year program aimed at restoring many of the historic lamaseries which dot the hills in the Jehol City vicinity.

Ashes of 108 Soldiers Taken Back to Japan

The ashes of 108 soldiers who were killed in the campaigns in Manchuria, including Major-General Iizuka, were landed at Kobe April 13. After the burning of incense aboard the ship, the remains were carried in 37 automobiles to the Kobe railway station whence they were sent to the fallen soldiers' respective families.

Bandits Continue Active in Many Regions

Sixty residents of Liushuhotzu were kidnapped by an armed group of 200 bandits who attacked the village in the night of April 12. The village is about 20 miles northeast of Wuchimiho on the eastern section of the Chinese Eastern Railway.

The walled town of Huachuan-hsien, in Kirin Province, was attacked by 300 members of the Red Spear Society on the afternoon of April 8, but Manchukuo troops succeeded in repulsing the outlaws.

Five Japanese and twelve Koreans were carried away as hostages in Rokudokoshi, North Manchuria, by a band of about 50 bandits who raided a Japanese office on the night of April 9. One Japanese was killed.

Bandit Chief Captured After a Year of Evasion

Liu Liao- shan, bandit chieftain, who the year before last on the field of Chinsi wiped out the Japanese regiment of Colonel Koga, including the Commander himself, was captured by a squad of police April 5, when they discovered his hiding place near Hsiang Lushan.

Two Japanese Murdered in Tsitsihar by Chinese Coolies

One of two coolies detained by the Tsitsihar police on suspicion of murdering two Japanese on April 4 has confessed to having committed the crime, according to announcement by the Japanese Consular police in said city April 9. The motive of the crime is given by the coolie as grievance over non-payment of wages and ill-treatment. The same day Masao Nishi, manager of the Tsitsihar branch office of the Yamada Company, dry goods merchants, was found murdered, and Eiichiro Ikeu, a clerk of the store, seriously wounded.

Roman Catholics Regard Manchuria as Separate Field from China

A Changchun message April 17 stated that the Papal State had decided to regard Manchukuo as a separate missionary field, instead of considering it as a part of China.

Horse Breeding Program Adopted in Manchuria

The proposed 10 year program for the improvement of horses is now being drawn up by the Horse Administration Bureau at Changchun. According to the tentative plans, it is proposed to establish two state stud farms in Hsingan Province; one of them is to be situated at Hailar.

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Ambushed Russians, Deserted by Train Guards, Rout Bandits Themselves

Five hundred bandits poured a fusillade of machine-gun and rifle fire April 19 on a train containing a Russian breakdown gang and 80 Manchukuo soldiers, which had been despatched from Suifenho to remove the debris of the freighter wrecked by bandits on April 1. The majority of the guards retired in great confusion, leaving the workmen unprotected. They, to evade the danger of being kidnapped, seized the weapons discarded by the guards and successfully battled with and routed the bandits, three of whom they captured.

J. V. Rudy, General Manager of the Chinese Eastern Railway, has received instructions from the Soviet Commisariat to proceed to Moscow and make a personal report on the Chinese Eastern Railway situation.

A Tokyo message April 18 stated that there is every likelihood that that Soviet-Manchukuo negotiations for the sale of the North Manchuria Railway (formerly Chinese Eastern Railway), will be resumed shortly.

S.M.R. to Construct Seven New Railway Lines

The government of Manchukuo announced April 20 that it has awarded contracts to the South Manchuria Railway Co. for the construction of seven new railway lines the total cost of which is estimated at $141,400,000. The projected new lines are: Mutankiang-Chiamassu; Lingyuan-Jehol; Yehpaishou-Chihfeng; Erhchan-Heibo; Hsinking-Tailai; Talai-Taonan and Huaiyuan-Solun.

Manchukuo Police at Kupeikou to Withdraw Outside Great Wall

A recent Peiping message state that as a result of repeated negotiations between the Chinese and Japanese authorities, the Manchukuo police at Kupeikou will shortly be withdrawn to a point outside the Great Wall where new barracks for the accommodation of these police have just been constructed.

East Chahar Quiet, but Japanese Planes Frequently Sighted

According to a recent telegram from Hsiao Cheng-ying, secretary of the Chahar Provincial Government, to Peiping, the situation in East Chahar is quiet, save for the frequent observation flights of Japanese airplanes.

Heavy Drop in Silver Follows Publication of List of Holders

Following publication by the U. S. Treasury of a list of names of large silver holders, 11,500,000 ounces of silver were thrown on the New York market April 25, with the result that the price dropped a cent an ounce, to 43.75. In Shanghai, rates on America went up considerably in Chinese dollars—slightly above 3 for 1.

Thousands of Expert Riflemen as Adjuncts to Red Army

It is reported from Moscow that a new force of 300,000 territorial riflemen will be created in Russia within the next three months. They will undergo special, intensified training and will be under the command of officers of the regular army. Special attention will be paid to the training of expert riflemen. The unit is being created as an adjunct of the Red Army.

The *China Times* prints a report that the Soviet military authorities have built a long trench at a point north of Manchuli. The trench is stated to be 200 miles long, with accommodations for tanks, airplanes and armored cars.

Soviets Buy Cement in North China to Build Forts in Vladivostok

The Soviet Army in the Far East is stated to be purchasing cement in north China, since Japan refused to sell that product to Russia. The Japanese Foreign Office understands that the cement is being used for the construction of forts and other military buildings at Vladivostok and along the Manchurian border.

The Soviet Government has selected Vladivostok as the gateway for its trade with the United States. The Far Eastern General Administration Bureau at Havarovsk, which controls 33 Soviet customs stations along the Pacific coast, is being transferred to Vladivostok.

Scientists to Investigate Ore Deposits at Khingan

The Far Eastern Department of the Academy of Sciences of the Soviet Union is convoking, for the end of April, a conference of scientific research institutions at Habarovsk. Later a group will go to the Khingan and Bureya districts in order to investigate the iron ore and coal deposits there.

Two Ships Under Construction to Replace "Chelyuskin"

In order to replace the ice-breaker *Chelyuskin*, the Baltic Works are now building two freight steamers of ice-breaker type, intended for sailing on the northern sea route.

A decree of the Central Executive Committee of the U.S.S.R. provides that the title of "heroes of the Soviet Union" be conferred upon fliers Lapidevsky, Levanevsky, Molokov, Kamanin, Slepnev, Vodopianov, and Doronin, for the rescue of the crew of the *Chelyuskin*.

Lena Expedition Continues to Explore Arctic

M. Lavrov, chief of the Lena expedition, now spending the winter on the the island of Samoila, is continuing the exploration of the Arctic Sea by airplane.

The Northern Shipyards at Leningrad will shortly begin the construction of a powerful icebreaker intended for regular use along the Northern Sea Route, between Murmansk and Vladivostok. The icebreaker will be equipped to accommodate 150 persons, including the crew and scientific workers. Besides, she will caary two airplanes and special equipment for hauling them aboard from the surface.

Precautionary Measures Along the Yellow River

With a view to preventing the Yellow River from bursting through its dikes during the coming summer, General Liu Chih, chairman of Honan province, led various civil and military officers, and the students of the various schools, in doing a repair job on the "hu cheng ti" or guard wall of the city on Sunday, April 22. General Liu stated he had two purposes in view, viz., to protect the life and property of the Kaifeng people in case the Yellow River bursts its dikes and to train the officers and the students for hard work during the present juncture when the New Life Movement is being pushed. The work is to be finished towards the end of June. The Yellow River dikes in the Honan area will be heightened by about two yards. All the magistrates of various hsiens or districts along the river are ordered to direct personally the farmers carry on the work. General Liu Chih has invited Mei Lan-feng, the famous Chinese actor, and several others, to come to Kaifeng to stage a performance with a view to raising money to relieve the famine stricken people of Huahsien.

Former Compradore of Japanese Bank Accused in Land Deal

Chang Chi-lan, former compradore of the Bank of Taiwan, a Japanese banking institution in Shanghai, wanted for having allegedly conspired to hand over control of 300 mow of land in Yinghsiang District to Japanese, has surrendered himself to the Shanghai District Court and is being held in custody pending trial. Mr. Chang is alleged nine years ago, during the Sun Chuan-fang regime, to have applied for permission to purchase 300 mow of land in Yinghsiang District under pretext of starting a school. With official assistance, the farmers were induced to surrender the land at some $200 per mow. Delaying his project for the new school, Mr. Chang is said to have mortgaged the property to the Bank of Taiwan at a profit ten times the price he paid. Since then, the bank employees have used the property as a recreation ground. The farmers filed a criminal suit against Mr. Chang, seeking to regain possession of their land, but Chang had left for Japan and only returned recently and surrendered himself.

Editor of "Japan Chronicle" Visiting in Shanghai

A. Morgan Young, managing editor of the *Japan Chronicle*, well known liberal British newspaper published in Kobe, Japan, is now in Shanghai on a brief vacation, following a visit to his daughter, Mrs. C. G. G. Pearson at Ningpo. Mr. Pearson is acting British Consul-General at Ningpo. Mr. Young has resided at Kobe, Japan, for many years and his writing on Japanese and Far Eastern topics are held in high esteem all over the world. The *Japan Chronicle*, with which is incorporated the *Hiogo News*, was established in 1868 and is one of the only two foreign owned and edited newspapers left in Japan, the other being the *Japan Advertiser*, which is edited by B. W. Fleisher, an American, at Tokyo. The *Chronicle*, according to the announcement on the front page, has the largest circulation of any foreign journal in Japan.

Who's Who in China

Yuen-su Wong, Chinese Minister to Mexico; born at Toyshan district, Kwangtung; received his early education in the United States; while in America, he organised with some friends the Youth Society which was later reorganized into the American branch of the Tungmenghui (predecessor of the Kuomintang); then he founded the *Young China Morning Post*, at San Francisco, California for the purpose of arousing the patriotic sentiment among the Chinese in America; he accompanied the late Dr. Sun Yat-sen in his visits to various cities in the United States to solicit funds for the revolution in China and later played an important role in the Revolution of 1911 which resulted in the overthrow of the Manchu Regime; upon his return to China with Dr. Sun, he was appointed Pacification Commissioner to Kwangtung after establishment of the Republic; then he was sent to the United States to pursue advanced studies in political science and economics at Washington and Columbia Universities and obtained B.A. and M.A. degrees; when he returned to China, he was appointed secretary to the Generalissimo of the Southwest Military Government; later he served as finance commissioner of Canton; Councilor of the Nationalist Government at Canton; secretary to the National Government in Nanking; member of the planning Committee of the Ministry of Finance of the National Government, Nanking; Consul-general at Honolulu and later transferred as Consul-General in San Franscisco, U.S.A.; on his return to China from his last mentioned post, he made an extensive tour in the United States and Europe to study political and economic conditions; now Chinese Minister Plenipotentiary to Mexico; Chinese Legation, Republic of China, Mexico City, Mexico.

黃芸蘇

Yuen-su Wong (Huang Yun-su)

黃芸蘇，廣東東山縣人，幼就學美國，在美時與友人等創設少年學社，該社後改組爲留美華僑中國同盟會分會，並創辦少年晨報，以鼓吹革命喚起旅美華僑之愛國觀念，孫總理任美募革命捐款時，黃君贊助頗多，旋與孫總理返國參加辛亥革命，民國成立後，彼任爲廣東省宣撫使，旋派赴美留學入華盛頓及哥倫比亞大學專習政治及經濟等科，得文學學士及文學碩士位，返國後歷任西南軍政廳參議，國民政府諮議，國民政府秘書，財政部設計委員會委員，駐檀香山總領事，前年辭職返國時，暢遊歐美各國考察經濟及政治情形，現任駐墨西哥全權大使

Silver Forces in U.S. Decide on "Fight to Finish"

The Silver protagonists in the U.S. Senate April 23 definitely decided to go on with their program in aid of the white metal despite the passive opposition of President Roosevelt. Senator Bordh emphasized that enactment of mandatory silver legislation (which he favored) should not imply disrespect for the President but merely a divergence of opinion.

There are at present about half a dozen silver bills before Congress, all of which have pretty much the same object namely that the American government should obligate itself to buy certain amounts of the white metal, thus enhancing the price. President Roosevelt is opposed to any mandatory legistation, holding to the viewpoint that it is impossible for any one nation to tackle the problem without the co-operation of other countries.

Spain ratified the London Silver agreement April 17. Peru has so far not ratified it.

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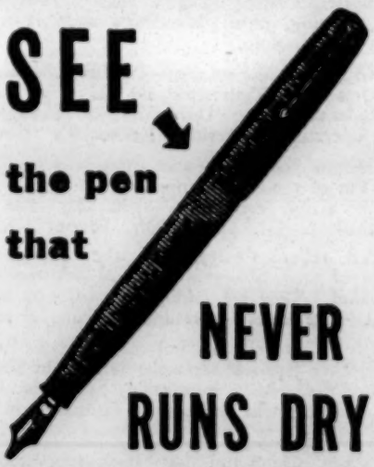

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Men and Events

The death occurred April 13 of William B. Walker, president of the Standard-Vacuum Oil Company of New York, at Rochester, Minnesota, following an operation.

C. F. Glass, formerly connected with the *Tass News* agency has returned to Shanghai after an extended trip to the United States.

Lieutenant-Colonel Hermann Kriebel, who, from 1929 to 1933 was military adviser to the Chinese National Government has been appointed German consul-general in Shanghai.

A special meeting of the stockholders of the Asia Realty Co., Fed, Inc. U. S. A. was held April 25, at which the procedure in connection with debentures was revised.

Roy Coleman Bennett, managing editor of the *Manila Daily Bullentin*, passed through Shanghai during the week on the Dollar line *President Hoover*, enroute to the United States.

Hu Shu-hua, President of Hunan University, has been appointed head of the Szechuan-Tibet investigation party of the Chinese Engineering Society. He will join the party at Hankow.

The American University Club of Shanghai will hold its spring banquet and dance on Friday evening, May 18, at the Canidrome, French Concession.

The Kwangtung Provincial Government Committee has ordered all omnibuses on the various highways in the province to install charcoal-burning gas engines within 18 months, so as to avoid buying foreign gasoline.

Leslie A. Lewis, Far East representative for Consolidated Aircraft, who recently participated in the airplane hunt for the lost C. N. A. C. Sikorsky, will sail on May 3 for a three-months' trip to the United States.

F. J. M. Bourdrez, technical expert from the League of Nations, who is attached to the National Economic Council, arrived at Kweihua, provincial capital of Suiyuan, April 19, to inspect the Min Sheng Irrigation Canal in Suiyuan province.

Dr. Wellington Koo, Chinese Minister to France, and General Yang Chih, Head of the Military Mission in Europe, were received in Paris April 19 by Marshal Petain, French Minister of War.

Francis de Croisset, famous French author and playwrigat, sailed from Marseilles April 20 on a visit to Hongkong, Shanghai, Nanking, Peiping, Japan, Manchuria and Korea, and then home by way of Honolulu.

Dr. W. C. Johnston, professor of political science at George Washington University, Washington, D. C., in an address to the faculty and students of the University of Shanghai April 22 explained the operation of President Roosevelt's "New Deal."

Judge Milton D. Purdy was presented with a beautiful ivory Kwan Yin of the Ming period by the Shanghai American Women's Club at a ceremony April 22. The presentation speech was made by Dr. Anne Walter Fearn.

A. D. Bell, retired Chairman of the Shanghai Municipal Council, departed from Shanghai April 22, accompanied by Mrs. Bell, for England. They are taking the trip by way of the Panama Canal. The expect to return to Shanghai in October.

The Japanese Governor-General of Formosa has decided to call a conference of Japanese consular officers in South China for the purpose of forming a new policy towards that part of China. The meeting will be held in Formosa towards the end of June.

General Chen Ching-yun has been appointed new Vice-Director of the Aviation Adminstration. General Chen was formerly Commissioner of Public Safety for Canton, and returned recently from a trip to the United States and Europe where he investigated aviation developments.

Howard C. T. Terzin and Miss Marie Counelly were married in the Chapel of Christ in Shanghai April 21 by Father McDonald. The groom is connected with the American Express Company and the bride is a daughter of John M. Counelly.

Mrs. J. V. Crow, wife of the manager of the Ford Motor Car Company here, departed from Shanghai on the Dollar Liner *President Hoover*, April 24, enroute to the United States. She was the guest of honor at numerous farewell functions during the past week.

The Standing Committee of the Central Executive Committee April 19 decided to appropriate the sums of $1,000 and $500 as funeral expenses respectively for the late comrades Hwang Shao-wen and Chang Kai-yun of the Tientsin District Party Headquarters, who were recently murdered at Tientsin while on duty.

Ex-Premier Daladier, examined in Paris April 19 regarding the Stavisky scandal stated that four-fifths of the French press received subventional payments from public bodies. The number of French newspapers which are able to pay their way from street sales, subscriptions, and advertisements is extraordinarily small he said.

C. L. L. Williams, member of the staff of the Shanghai Waterworks Company, accompanied by Mrs. Williams, returned to Shanghai last week from vacation spent in the United States.

China will be represented by Dr. Wellington V. K. Koo, Minister to Paris, at the forthcoming meeting of the Council of the League of Nations.

Victor Lu, author of the article of "Can China Go Fascist?" printed in *The Review* of April 14 page 262, calls attention to omission of the word "no" in line 17, column 2. The phrase should read: " - - - the result was that no one leader could achieve pre-eminence long enough to accomplish things."

The Canadian Pacific railway this summer will cut the mail time from Montreal to London from 6½ days to 4 days, by using airplanes at both ends of the steamer journey between the mouth of the St. Lawrence and the West of Ireland. The mail time betweeh London and Shanghai by this route will be correspondingly reduced.

The board of trustees of Yenching University at Peiping have worked out in connection with the Dollar Steamship Lines an itinerary for groups of Americans who desire to see more of China, and particularly Peiping, than the usual tourist trips provide. The University has arranged to have a representative of the University to accompany such groups on their trip from America to China.

T. V. Soong, standing Committee member of the National Economic Council, arrived in Kaifeng April 25, having left Shanghai two days previously. Mr. Soong met Tai Chi-tao, chairman of the Examination Yuan in Kaifeng, Mr. Tai having left Sian the previous day. Mr. Soong was honored at a party given by General Liu Sze, chairman of the Honan provincial government. He will later proceed to the Northwest.

Brig.-Gen. Bradman of Marines to Make Inspection Trip

Brig.-Gen. Frederick L. Bradman, formerly commander of the U. S. Maaine Base at San Diego. Cal., who arrived in Shanghai on April 23, has established a temporary office here, but according to report will depart shortly for north China on an inspection trip pertaining to the Marine detachment at Peiping. Gen. Bradman is accompanied by Mrs. Bradman and their two children, John and Mary Jo and they are residing at the Cathay Mansions. Admiral S. B. Upham, commander of the U. S. Asiatic Fleet who arrived here from Manila recently, held a conference on April 24 which was participated in by General Bradman and Col. J. C. Beaumont, commander of the 4th Regiment Marines stationed here.

Realty Investment Co. Absorbs City Realty's Assets

At an extraordinary general meeting of shareholders of the City Realty Co., Ltd., held in Shanghai last week it was announced that an offer had been received from the Realty Investment Co., Fed. Inc. U. S. A., to purchase the net assets of the Company with the exception of one property, concerning which there was a dispute over the title, for the sum of $650,000. The purchase price was not to be paid in cash but would be satisfied by the allotments of Realty Investment Co., "B" shares.

Eric Davies, the Chairman, stated that the Realty Investment Co. had been in existence since 1929 under the presidency of R. M. Vandenbergh and for the last three years had paid an average dividend of 8 1/2 per cent. on its ordinary shares which were listed on the stock exchange at par, a figure which compared favorably with the last business done in City Realty shares.

Rubber Industry Improves---Chinese Quota for Straits Increased

Rubber shares in Shanghai have generally gone up in price and there is increased activity in the Malayan peninsula. The immigration quota for Chinese into the Straits Settlements is to be increased to 2,000 persons a month as from May 1 next. The number allowed to land since February 1933 had been rstricted to 965.

Disarmament Discussions So Far Prove Fruitless

Although Norman Davis, the American representative at the Disarmament Conference on arriving in New York from Europe April 20 stated that disarmament was inevitable despite recent developments as the people don't want to fight, telegrams from various parts of the world during the past week hardly bore out this optimistic pronouncement.

The outstanding fact in connection with efforts looking toward international disarmament is that after more than two years of continuous discussion the European nations have not yet agreed on even the basic principles of a disarmament treaty. The world, meanwhile, has expended more than U.S.$5,000,000,000 on war materials each year and the 1934 military budgets of practically every country are higher than when the conference opened in February, 1932.

Japan's demands for fleet parity and Britain's drive for smaller battleships are the major obstacles to success of the 1935 Naval Disarmament Conference. The United States is certain to oppose Britain's proposal to cut the present 40,000 ton dreadnaughts to 25,000 tons, which would meet the cruising radius demands of Great Britain's Navy with its far-flung naval bases but which would be insufficient to permit the American Navy to cruise from Alaska to Hawaii, and to Panama, the three strategic positions on the Pacific.

Mussolini Says European Map Is Out of Date

Premier Benito Mussolini was quoted in a Rome dispatch to the New York *Times* as having stated April 13 that the map of Europe traced by the Treaty of Versailles must be rectified either by a war or by some other more preferable means such as a system of progressive political and economic compensations.

Swiss See Failure of Disarmament Conference

The disarmament situation formed the chief topic of discussions at the meeting of the Swiss Federal Council April 20. Councillor Motta in a lengthy report took the view that France's decision to break off direct conversations between the various Powers foreshadowned the failure of the Disarmament Conference.

French Turn to Near East to Secure Support

Louis Barthou, French Foreign Minister, proceeded to Warsaw during the week. In view of German re-armament and the French rejection of the British Disarmament plan, France is turning towards her allies, Poland and the Little Entente (Rumania, Czechoslovakia and Jugoslovakia), for support of her policy.

Germany will Resist Invasion, General Goering Says

General Herman Goering, premier of Prussia and minister for air in the Reich Cabinet, in an interview in Berlin April 20 stated that the entire German nation will rise as one man to protect Germany's frontiers in case of invasion.

Divergent Views on Arms Export Prohibition from U. S.

President Roosevelt's attempt, conducted for more than a year, to obtain power from Congress to declare an embargo on the shipment of arms and munitions has become imperilled by a sharp difference in the form in which the two houses of Congress have acted on the matter. The President sought this power as a peace measure at the very beginning of his Administration when hostilities were flaming in the Far East and South America. It was intended to put him in a position where he could throw the weight of the United States along with other powers to choke off munitions of war from any nation or nations which endangered world peace. The House passed the bill authorizing the President to act in conjunction with other nations in prohibiting shipments of arms and munitions to nations endangering the world, but the Senate added the words:—"Provided, however, that any prohibition of export or sale for export shall impartially apply to all the parties to the dispute or conflict concerned." This would prevent the proclamation of an arms embargo to one or more countries which the United States or concert of nations may wish to handicap in hostilities on the grounds they considered it an aggressor.

Fred A. Britten, Republican Representative from Illinois, demanded the recall April 20 of Maj. Gerald Campbell, British consul-general to New York, whom he accuses of publicly making an attack against the Vinson Bill on United States naval construction.

⁂

Britain's Budget Makes No Provision for U.S. Debt Payments

Neville Chamberlain, Chancellor of the Exchequer, in his budget speech in the House of Commons, April 17, stated that no provision had been made for war-debt payments to the United States; even the token payments had been eliminated. Britain's export trade is still far behind the figure of a few years ago, he said, but it was ahead of that of the United States.

President Roosevelt April 20 approved the plan submitted by Representative Loring M. Black, New York Democrat, and Senator Carter Glass, Democrat from Virgina, for direct loans to industry by Federal Reserve Banks.

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637

New Books of Interest in the Far East

A History of the Monroe Doctrine

The Monroe Doctrine 1826—1867; by Dexter Perkins, Watson Proffessor of History in the University of Rochester. Baltimore. The Johns Hopkins Press. 1933.

This work is devoted to the evolution of what the author calls "a dogma which has played a vital part in the history of the United States"—the Monroe Doctrine.

He follows the development of this doctrine for the period of some forty years, from the debates on the Congress of Panama in 1826 down to the evacuation of Mexico by the French in 1867.

In Chapter I, the author gives the interpretation of this principle, shows how little the Doctrine of Monroe had been extended in the years from 1826 to 1843 and examines those cases in which the principles were more or less directly violated.

In chapter I he speaks of the revival of the Doctrine. The pronouncement of the Monroe Doctrine in the second term by President Polk in 1845, gave new life to the principles and from this time there began a new period in the History of the Doctrine itself. This period was in the United States a period of rising nationalism.

Anglo-French intervention in the Argentine, intrigue to establish monarchy in Mexico and in Ecuador, an American Congress at Lima, the question of the Isthmus of Panama, British agression in Central America, and possible American intervention in Yucatan, all these have a direct connection with the Monroe Doctrine. All of them are examined in the Chapter III with reference to the light they throw on the development and interpretation of the Monroe principles.

The question of Central America involved a definite challenge to the principles of the Monroe Doctrine. In has therefore been discussed in chapter IV from the Whig and Democratic points of view as these two points are apparent in the evolution of the Central American controversy.

In chapter V the author speaks of the question of Santo Domingo (1849-1865). In this time European diplomacy was hostile to the United States, American interests and American principles. It was a decade of intrigue on the part of France and Spain, with a view to the reestablishment of European influence on this island.

Chapters VI,VII,VIII, IX are devoted to the question of Mexico. The most striking episode perhaps, in the whole history of the Monroe Doctrine was the French intervention in Mexico. The growing American imperialism, the growing suspicion and jealousy of American purposes on the part of European statesmen, all these are examined in some detail.

The book contains also bibliographical notes.

This work will prove highly instructive to the every person who is interested in international law and relations, and, especially to the student of the Monroe Doctrine.

N. N. R.

A Stirring Tale of Southern India

Durbar. By Dennis Kincaid. Harcourt, Brace and Company. New York. $2.00.

Unusual both in method and in setting, "Durbar" is interesting both for its plot and because the writer has contrived to transfer to the printed page much of the color and spirit of a life so different from our own that it might almost have been lived in another world. Nevertheless his characters are real, their motives and feelings close to our own. The author depicts a world of strange contrasts, of barbaric splendors and depravities, child-like frankness and intrigues, a world in which ancient gods and their dark rituals are jumbled with European culture and furnishings in "squat houses, with honey-coloured walls and carpet-hung balconies."

"Durbar" is a stirring tale of events during the course of one day in the life of one of the great courts of Southern India, A murmur runs through the bazaars of a plot to assassinate the native ruler and place on the throne the malignant old Princess Indira, whose long grey face haunted the Rajah. It reaches the Raiah as he awakes, but, drugged by opium and slow poison, he is content to lose himself in thoughts of the past. Through the story stalks the stern, forbidding figure of the Prime Minister, who, loyal to the royal house, governs the country and holds the weakling prince on the throne of his fathers.

Mr. Kincaid has adopted the stream-of-consciousness method, but there is no lack of vitality and even vividness in the characters although this method tends to impart a certain dream-like quality to the book. It is a brilliantly painted picture which catches and fills one's imagination. The reader will be loath to lay the book down. L. L.

The Spritual Leaders of the Orient

Whither Asia, by Kenneth Saunders, Litt. D. (Cambridge), The Macmillan Company, New York, 1933. 221 pages.

This book is compiled from material given by Dr. Saunders to his classes in Vassar College. There is an introduction ending in a clean-cut outline of creedal points and fundamentals. Following this are three chapters with these titles, "Mahatma Gandhi and the Indian Ideal of Sainthood," "Hu Shih: the 'Chun-tse' or Gentleman of China," and "Kagawa, Samurai and Rebel." A chapter on "The Modern Spirit and the Ancient East" ends the book. The essay on Kagawa takes more space in the volume than is occupied by the essays on both Gandhi and Hu Shih.

Mahatma Gandhi's idea is that religion cannot be separated from life. Dr. Saunders uses that thought as the key-note of his study of the famous Indian leader. The undaunded courage of this "great soul" in his struggles against the caste system and racial enmities, such as that between Hindu and Moslem, are set forth with clarity. The Mahatma acknowledges Tolstoi as his master. He is today still struggling to elevate political issues so that they may be dealt with on a spiritual plane.

"The ideal of China is the Sage whose wisdom enriches human life by patterns of behavior in this world rather than by visions of another." Hu Shih wishes to be known as a philosopher, but Dr. Saunders thinks that in his seeking to get rid of theism he is unphilosophical. Hu Shih is a fearless critic of his countrymen and his government. China is fortunate to have such a man of versatility and power, and in building things anew he has a prominent place of influence.

Dr. Saunders finds Kagawa passionately devoted to Christ He is the Christian samurai of Japan. His life, his books, his penetrating and unworldly wisdom show the strength and power of his spirit of love and service. The book presents extensive quotations from Kagawa's writings. Dr. Saunders' conclusion is that "in Kagawa Asia will find a more potent leader than either Gandhi or Hu Shih—for he is a servant of Christ the Universal Son of Man. His personality is our best symbol of the Godhead; in his ethics we find our most universal norm."

The book is inspiring and in bringing three living Asiatics known to a wider public Dr. Saunders has done well. We have known of them for years, but this book tells us more about them and puts the information in a form which will attract students. These men are lifting Asia and thereby the world. They deserve our consideration.

March 26, 1934 G.B.S.

The Impact of Russia Eastward

Russia and Asia, by Price A. Lobanov-Rostovsky; published by The Macmillan Company, New York, 1933. 334 pages, with bibliography, index and one map.

Prince Lobanov-Rostovsdy, who is assistant professor of History in the University of California at Los Angeles, has given us an interesting account of Russia's growth and relation to Asia. His style is simple and easy so that the book holds one's attention. Early in his volume he calls attention to the fact that "one of the rules of Russian strategy in warfare against Asiatic peoples consisted in never letting a defeat remain unavenged. Over and over again we shall see this policy carried out in various parts of Asia, and it undoubtedly accounts for a large part of the success of the Russian expansion in Asia. This policy was based on the correct understanding of Asiatic psychology, and it was this that accounted for the tremendous prestige the "White Czar" enjoyed in Asia in the 19th century.

Conversely, when crumbling Czarism found it impossible to enforce this rule in its struggle against Japan, in 1904-1905, it suffered a loss of prestige which proved fatal."

Early contacts with Japan in Sakhalin are traced from 1803 to 1905 and later. In many references the author shows the foundations for conflict between Russia and Japan. He thinks Russia is not yet safe-guarded against a probable onslaught from Japan.

The next to the last chapter of the book is on the Soviet Policy in Asia. Curiously, the author therein mentions that the name of Hankow has been changed to "Wu-han," evidently being in ignorance that the Chinese always refer to the three neighboring cities of Hankow, Hanyang and Wuchang by this title, "Wu-han."

Prince Lobanov-Rostosky thinks that the Soviets by "fostering the cultural autonomy of the Asiatic minorities in the Union, and by the economic development under the Five Year Plan, have given a new importance to Soviet Asia." He quotes Count Keyserling as predicting a great future for Russia and thinks that, as in past centuries Russian efforts were bent toward expansion they must now be bent toward "the new task of development and of creating a new civilization. . . Russians will have to blend and fortilize their cultural soil with both European and Asiatic ingredients. Thus this new culture will powerfully influence Asia as well, and since the role that Asia is playing in world

affairs is rapidly increasing in importance, it will possibly be through her influence in Asia that Russia will affect world destinies."

One map is insufficient for this book. There should be numerous maps, showing the penetration of Russia into various parts of Asia. It is not enough to read of the pamirs, Herat, Kabul, Chita and Samarkand. Our knowledge of Central Asian geography is so vague that books like these should have plenty of maps so that we can visualize places that are always on the borders of our cognizance.

April 5, 1934 G.B.S.

Recent Pamphlets Received

A monthly journal, *Grand Travaux et Hygiene Publique* has been established at Geneva. It is devoted to the interests of public health and will incidentally study labor problems.

The ninth conference of the Far Eastern Association of Tropical Medicine, which is to meet in Nanking in October next, has issued a brochure ot preliminary information giving details of membership and a resume of work to be covered.

Kailan Mining Administration to Be Reorganized

Following a conference at Nanking between Ministry of Industry officials and E. J. Nathan, general manager of the Kailan Mining Administration (supported by Ku Chen, assistant manager), it is reported that an agreement has been reached to reorganize the Administration. According to Huang Chin-tao of the Ministry of Industry, the agreement reached governing the reorganization of the Kailan Mining Administration will mark considerable promotion of Chinese interests in the heretofore British-dominated concern, thus bringing to an end British dominance in the concern. However, seeing that this agreement follows closely on the heels of the recent strike in the Kailan area (where the principal agitator was alleged to have acted under Japanese instigation) there is good ground to suspect that, since the properties are located in the area of Japanese control, the alleged increase of Chinese interest may merely be camouflaged Japanese interest.

The Kailan Mining Administration is the holding concern for the joint working of the China Engineering & Mining Company, a British incorporated Company, and the old Kailan mines, purely Chinese owned.

The Chinese Engineering and Mining Co. dates from about 1900, the year of the Boxer trouble, when the mines now belonging to said company, were transferred from purely Chinese ownership to the British flag to prevent them from being invaded by the Boxers. Herbert Hoover, later president of the United States, then in the employ of the company as a mining engineer, took part in the arrangements for the transfer, and his political enemies during the presidential campaign tried to make capital out of this fact.

It is to be noted in this connection that Japanese domination of the Peiping-Mukden railway between Shanhaikwan and Tientsin naturally places the Kailan mines at a disadvantage because they must depend upon the railway for coal transport to the sea both to Shanhaikwan and Tangku, as well was Peiping and Tientsin. The Kailan mines have been the only important competitor of the Japanese mines at Fushun, which are owned by the South Manchuria railway. Since the boycott of Fushun coal, industrial establishments at Shanghai have depended largely upon Kailan for supplies.

In the meantime a tense situation continues in the Tongshan area, wthere martial law is still being enforced. Japanese troops are installing long-distance telephones linking up Tongshan with Funing, Tsienan, Lulung, Tsunhwa, Fengjun, Shanhaikwan, Luanchow and Changli in the "demilitarized zone". They held military maneuvers for three days last week. Japanese sentries have been detailed at the Japanese and Korean shops to "protect" them in their dealings in narcotics and ammuniton.

The Chinese authorities April 19 arrested one Sun Huan-ting, who called himself "commander of the garrison troops on the Chinese, Manchukuo and Japanese border." Sun had secretly established an office at Tongshan and had under him a large number of followers. Sun was sent to Tientsin for trial.

Minister of Interior Orders Publications to Register

A circular communication issued recently by Ministry of Interior to the various Provincial and Municipal Governments stated that any publication which has not yet been submitted to the Ministry of Interior for examination must be forwarded to the Ministry within a month. Those who disregard the order would be fined. Publications which have not been registered with the Ministry are not permitted to print the words "All rights reserved," the communication added.

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CUSTOMS NOTIFICATION NO. 1353

The public is hereby notified that in accordance with Government instructions

(1) broken rice containing more than 50 per cent. of bran is to be charged duty as bran, and

(2) broken rice containing 50 per cent., or less, of bran is to pay import duty as paddy.

As the duty treatment of imported paddy in the provinces of Kwangtung, Kwangsi and Fukien differs at present from that in force in other provinces, broken rice classified under (2) will be imported duty-free into the provinces of Kwangtung and Kwangsi and will pay at half the tariff rate on importation into Fukien, but will be subject to the levy of a duty make-up at port of destination if shipped from one of these three provinces to other parts of China.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,

Shanghai, 20th April, 1934.

C.N.A.C. Plane Flies from Shanghai to Chengtu in One Day

F. B. Nelson, pilot for the China National Aviation Corporation, traveling in regular C. N. A. C equipment flew from Shanghai to Chengtu, on the upper Yangtze, between dawn and dusk, April 19. Chief Pilot E. M. Allison took off with Mr. Nelson in a land Stinson monoplane from Lunghwa airdrome on Shanghai at 6.10 a.m. and the flew straight to Hankow. In this trip they did not make the regular scheduled mail stops between Shanghai and Chungking. According to the usual schedule, travelers go from Shanghai to Hankow in one day, and proceed from Hankow to Chengtu the next. The trip requires 14 days by the usual land and water route.

New Canton Planes to Be Equipped with Direction-Finding Radio

Dai En-ki, vice-president and general manager of the China National Aviation Corporation, announced last week that the two new Consolidated "Commodore" seaplanes which are to be placed upon the Shanghai-Canton air line as soon as they arrive from the United States, will be equipped for "beam radio" direction-finding when fog prevails. These new U. S. $100,000 craft will not only be equipped for using such wireless, allowing them to soar far from sight of the ground along the invisible electric path, but they will also have capacity for 1000-mile-range when carrying their full quota of 20 passengers. The orders for the two new planes were placed by the C. N. A. C. last week.

Aviation Academy Will Open Branch at Chuyang

Owing to the lack of space for expansion, the Central Aviation Academy has decided to establish a branch school at Chuyung, and plans are being made for the construction of a new school building there. Chuyung is located east of Nanking and is connected with it by a motor road. The new school building is expected to be completed before coming September, when students will be enrolled for instruction and training.

Canton-Shensi Air Route Is Abandoned

The contemplated air route by the Eurasia Aviation Company between Canton and Shensi has been temporarily abandoned, according to word reaching Shanghai during the week, because of the difficulty of regular flight due to the hazardous mountainous regions to be traversed.

Huge Condor in Minor Accident at Nanchang

The finishing touches are being put to the repairs on Commander Frank Hawks' large Condor plane, which experienced a minor accident during a landing at Nanchang last week—an accident more important for what it might have been than what it actually was. Owing to carelessness somewhere, the adjustments had not been made for the wheels to get into position for landing, with the result that the plane landed on its belly, the propellors being somewhat bent in consequence. It was afterwards flown to Hangchow, where the repairs are being made.

General Ho Chien, Chairman of the Hunan Provincial Government, in dealing with the recent airplane accident in which two girl students were killed and five injured when an airplane on a demonstration flight crashed at the airdome at Changsha gave demerits to the staffs of the Provincial Aviation Bureau, incidentally reducting their salaries, and punished the two pilots according to military law.

United Aircraft Sells More Vought Corsair Planes to National Government

The United Aircraft Corporation, through its Far Eastern representative, Carl Nahmmacher, April 18 signed a contract with the National Government for the supply of 20 Vought Corsair observation and light bombing planes, thus raising the total of Vought Corsairs bought by the National Governmnnt to approximately 55. Hornet 700-horse-power radial air-cooled engines are used on these planes.

National Aviation Day Suggested to Honor Memory of Sun Yat-sen

The National Aviation Association has suggested to the Government that May 5, the day on which Dr. Sun Yat-sen assumed office as first Provisional President of China 22 years ago, be declared a national aviation day.

Four U. S. Air Lines Lodge Complaints Against Postmaster General Farley

The Boeing Air Transport Co., the National Air Transport Co., the Pacific Air Transport Co., and the Varney Air Lines have lodged complaints against Postmaster-General James Farley, seeking to prevent him from enforcing the order cancelling domestic air mail contracts.

Major Bertrandias Urges Japan to Expand Commercial Aviation

Major Victor E. Bertrandias, a representative of the aircraft division of General Motors, in an address before a large audience in Tokyo April 10, attended by representatives of the Japanese army and navy, Communications Ministry, airplane manufacturers, transport companies, business concerns, etc. urged Japan to expand her commercial aviation. He explained the manner in which aviation developed in the United States. He presented figures over a period of years to show the development in the number of airlines, companies, pilots, passengers carried, airmail carried, miles flown and the various aids to aviation which have been supplied by the aeronautics section of the Department of Commerce. "Aviation development is essential to Japan," Major Bertrandias said in the course of his discussion, "because it is imperative to national defense and calls for more adequate equipment and personnel which can be mobilized at all emergencies. Japan stands well in the principal technique, but there is much room for development in the economic field." He suggested that Japan extend her airlines from Japan to Korea, Manchukuo, China and Formosa. Amphibian planes, the speaker said, are advisable for Japan, due to geographical conditions and economy, and because amphibians can land safely in the water in emergencies.

W. L. Bond, C.N.A.C. Official Leavers for U.S.A.

W. L. Bond, operations manager for the Yangtsze and Peiping lines of the China National Aviation Corporation, sailed for the United States from Shanghai April 24 by the Dollar line *President Hoover*. He expects to confer with H. M. Bixby, Pan-American Airways vice-president, who will return to China soon. Mr. Bond is investigating the latest developments in aviation in the United States and is expected back in Shanghai within several months. His work in Shanghai is being carried on by Captain Allison, chief pilot.

C.N.A.C. Purchases Four Fairchild Planes for Chungking Line

The board of directors of the China National Aviation Corporation at an emergency meeting April 20 decided to purchase four Fairchild flying boats for the Shanghai-Hankow-Chungking line. Single-motored and capable of carrying eight passengers in addition to the pilot and co-pilot these flying boats will have a speed of 155 miles per hour. Each will be equipped with two-way radio sets and will be a great improvement over the Loening planes now plying on the river run. The first of the four flying boats is expected to be ready for test by the end of July with others following in quick succession. The agents in Shanghai for the Fairchild planes are the Hosken Trading Co., I. C. Moller, manager.

New Air Line Planned from Vladivostok to Kamchatka

A new air line connecting Vladivostok and Petropavolovsk, Kamchatka—a distance of about 2,500 miles—is now being planned by the Soviet government. Seaplanes are to cover the route in twenty-three actual flying hours.

Forty-four aviators, representing five European countries will participate in this year's air race around Europe, which will be held late in summer under the auspices of the Polish Aero-Club.

The International Fliers' League awarded (in Paris April 20) the international Harmon Trophy, annually presented to those who accomplish the year's greatest aviation feats, to the world flier Wiley Post, Dr. Hugo Eckener, American stratospherist Settle, and the French aviatrix Maryse Hilz.

Five American Planes Proceed to Aleutian Islands to Make Maps

Five U. S. Navy planes left North Island (Califorma) Naval Air Station April 20 for Alaska, where they will engage in a lengthy mapping expedition along the Aleutian Island chain.

U. S. May Build Atlantic Air Transport Line

A bill providing that the Reconstruction Finance Corporation should lend a sum of $12,000.000 to the Respess Aeronautical Engineering Corporation, of Cranston, R. I., for the purpose of establishing a trans-Atlantic airship line, was introduced the House of Representatives April 17. The company would use the money to construct two airships to be used in a trans-Atlantic service.

Additional Wreckage of Missing Sikorsky-16 Found Near Kintan Channel

Additional wreckage from the ill-fated Sikorsky-16 plane leaves little doubt that the plane crashed or sank in Hangchow Bay near the vicinity of Kintan channel. P. C. Groeger, who is conducted a search with two tugs, reported end of last week that he had found additional seat cushions from the Sikorsky. No bodies have yet been found.

Y. Matsumura, in charge of the Japanese Consulate in Hangchow, proceeded during the week to Yuyao, eastern Chekiang, to make independent inquiries regarding the fate of the Japanese passenger aboard the ill-fated Sikorsky plane.

Only One Japanese Plane Successful in Korea-Japan Flight

Inclement weather and engine trouble forced down seven of the eight Japanese planes of the Tachikawa air corps attempting the recent flight between Heijo, Chosen, and Tachikawa, Tokyo prefecture. The remaining plane successfully completed the trip on schedule.

National Financial Conference

In order to institute reforms in the administration of provincial finances and devise measures to rid the country of miscellaneous and obnoxious taxes and levies, the Ministry of Finance is summoning a National Financial Conference at Nanking to be held from May 21. The Conference, it is understood, will be attended by financial commissioners of the various provinces and municipalities, directors of the various tax administration bureaus and specially invisted financial experts of the country.

Dr. H. H. Kung, Vice-President of the Executive Yuan and concurrently Minister of Finance in a recent interview with the *Chekiai* Agency, declared that the task of readjustment of the finances of the country is a gigantic one encumbered with numerous difficulties and obstacles, but the Ministry of Finance is not daunted by its dimensions and will leave no stone unturned in its program of financial reform. Various reforms in taxation have to be introduced, but one of the most important steps in this direction is the balancing of budgets of the provincial and district governments. In this connection, Dr. Kung stated that he advocates that budgets of provincial governments should be submitted to and approved by the Central Government and those of district governments should be approved by the provincial governments. After being thus approved, they should be strictly observed and no unauthorised increases in them should be permitted through irregular levies by the provincial or district Governments concerned.

Interviewed regarding the purpose of the forthcoming National Finance Conference, Dr. H. H. Kung stated at Nanking April 18 that personally he favors the fixing of the Provincial and Municipal budgets by the Central authorities, leaving the District budgets to the Provincial Governments concerned. Measures for the readjustment of the Farm Tax are being devised, though their enforcement cannot be effected immediately. In order to increase the income of the Government, Dr. Kung continued, attention should be devoted, not to creating more taxes, but to the readjustment of existing taxes. In order to readjust and improve the monetary situation of the country, a Currency Reform Commission will be inaugurated shortly. Efforts are also being made to expand the Central Mint; for this purpose more minting machines will be purchased.

At the final meeting April 18 of the Preparatory Committee for the National Finance Conference, regulations governing the organization and functions of the Conference, and the detailed rules of procedure were approved. The budget of the conference, which provides for an expenditure of $19,480, was also passed. The meeting also decided to invite prominent economic experts to attend the conference.

Fukien Province to Ask for Subsidy

Due to financial difficulties, Hsu Fu, Provincial Commissioner of Finance for Fukien, has decided to petition the Central Government for a subsidy, besides enforcing a retrenchment policy and readjusting the provincial taxes. The Fukien Provincial Department of Finance has prepared various proposals for submission at the National Finance Conference. The proposals recommend that basic measures for the readjustment of the farm taxes be determined only after taking into consideration the varied conditions in the different provinces. Exorbitant levies and miscellaneous taxes should be abolished and the imposition of taxes similar in nature to *likin* prohibited.

An organ for extending small loans to the people was formally established in Peiping April 15 by the Municipal Government.

The first meeting of the Committee in charge of the construction of an Auditorium for the *Kuo-Min-Ta-Hui* (National People's Congress) was held at Central Party Headquarters in Nanking April 19, Dr. H. H. Kung, Minister of Finance, presiding. The building expenses were tentatively fixed at one million dollars to be remitted in periodical instalments by the Ministry of Finance. The Nanking Municipal Government will be asked to acquire a piece of land of 200 mow, near the Central Administrative District, for the site.

$12 Million Railway Reconstruction Loan to Be Issued

The issue of a new loan of $12 millions for railway reconstruction purposes, to be known as the "23rd Year First Issue of the Railway Reconstruction Loan" was authorized by Legislative Yuan April 20. The new loan is the first of a series of loan issuess which the Ministry of Railways proposes to float for the construction of new and reconditioning of existing lines. The first issue will be devoted exclusively to the construction of a new line in the province of Kiangsi, namely, the Yushan-Pingtiang Railway. The loan will be issued May 1 at 98; interest, 6 per cent. per annum.

CUSTOMS NOTIFICATION No. 1354

The public is hereby notified that the enforcement of the rules governing the marking of foreign goods imported into China with the name of the country of original manufacture, as published in Customs Notification No. 1,327, is postponed until receipt of further Government instructions.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 21st April, 1934.

TANTRUMS!

There are several ways of dealing with tantrums in a child, several wrong ways but only one right way.

It is worse than useless to try repressive measures, for the condition is more than anything a nervous one. Punishment, or even sternness, will only serve to intensify the child's nervous tension.

Gentle firmness and sympathy, and even sometimes a little petting, will do more to quieten the child—and then, of course,

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This splendid baby's health remedy quickly relieves the stomach and intestines from the congestion which is at the root of the child's nervous tension. Baby's Own Tablets are so nice in taste and appearance that they are the easiest thing in the world to administer. For children's stomach and bowel troubles they are rapidly yet gently and pleasantly effective.

They quickly relieve infantile indigestion, colic and constipation, check diarrhoea, expel worms, allay fever, colds, and croup. During teething they are invaluable, easing pain almost instantly and thus inducing sound natural sleep. They may be given with perfect safety to even the youngest infant. Obtainable from all chemists.

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The second meeting of the Board of Directors of the Chekiang-Kiangsi Joint Railway Corporation was held in Hangchow April 20; it was presided over by Tseng Yang-fu, Chekiang Provincial Commissioner of Reconstruction. Upon inauguration of the Chekiang-Kiangsi Railway Administration, the Hangchow-Kiangshan Railway Administration will be abolished.

Yu Chi-chuan, Hunan Provincial Commissioner of Reconstruction, announces that he will approach the Ministry of Railways for a loan of $600,000 from the funds assigned for the completion of the Canton-Hankow Railway, in order to establish a cement factory in Hunan. The sum will be repaid by the factory on the security of its products.

May 1 has been set as the date for the inauguration of through transportation service between the Peiping-Hankow Railway and the China Merchants Steam Navigation Company.

China Merchants Steam Navigation Co. Has No Funds to Build River Steamers

The China Merchants Steam Navigation Company has been compelled to abandon its plan to construct three river steamers with the funds borrowed from the Sino-British Boxer Fund Commission on account of the huge sum required for the construction of the four ocean-going steamers in England, it is learned from the Company authorities. It is said that the amount required for the construction of the four boats has far surpassed the sum appropriated for that purpose, therefore little or no funds are now available for the three river steamers.

In view of the dilapidated condition of the embankment of the Grand Canal in Northern Kiangsu, particularly in the section between Tsingkiangpu and the Hwaian districts, the Hwai River Conservancy Commission has made a special appropriation of $500,000 to effect necessary repairs.

A loan of $300,000 has been secured by the Hopei Provincial Government from the Hopei Provincial Bank for agricultural relief in the three flood-devastated districts of Changyuan, Tungming and Puyang, in southern Hopei.

In a communication to the National Economic Council President Wang Ching-wei last week instructed that measures be devised, in conjunction with the Ministries of the Navy and Communications, for the building of wharves at Weihaiwei. Hsu Tung-fan, Special Commissioner for the Administration of Weihaiwei, called on President Wang several days ago to confer with him on the plans for construction.

The Honan Provincial Government proposes to build a new embankment around Kaifeng city. The provincial capital was partly inundated by the overflow of the Yellow River, last year, and the authorities wish to avoid a repetition of the disaster.

Ministry Places Order for Fishing Boats in Germany

The Ministry of Industry has placed an order for seven fishing boats with a certain German firm, costing a total of $2,100,000. These boats will be used for fishing purposes along the Chekiang coast, it is understood.

Road Construction Makes Progress in Many Provinces

A Changsha telegram April 16 stated that General Chiang Kai-shek, has promised to secure from the National Economic Council a remittance of $500,000 for the completion of the highway system in Hunan. The Ministry of Railways will also be asked to take over the Chenhsien-Ichang Highway in southern Hunan and utilize it in connection with the unfinished section of the Canton-Hankow Railway.

Chao Tsu-kang, Assistant Director of the Highway Construction Bureau of the National Economic Council, arrived in Sian April 17 from Nanking. He said that in order to assist in the construction work of the projected Sian-Lanchow (Kansu) and Sian-Hanchung (southern Shensi) Highways, a party of ten engineers will shortly arrive in Sian from Nanking.

Rolling Mill to Be Built in Shanghai With American Machinery

Negotiations are under way to raise capital from Chinese banks to finance a rolling mill to be built in Shanghai to roll steel window sections, furring channels, small round bars, sections, etc. The plans include the installation of electric equipment including electric welding furnaces, either buying the steel ingots abroad and rolling them into sections locally, or possibly to produce the steel ingots themselves locally. The latter is the more elaborate program, requiring an investment of more than one million dollars; this would include a larger automatic rolling mill to roll structural steel sections, also reinforcing bars, locally. The company is to be organized in the near future, incorporated in the U.S.A. A committee will be sent to the United States in July to contract for machinery and secure experts for both the rolling and fabicating departments. It is hoped to start operations at the beginning of next year. Another group has plans of a similar nature with German assistance, incidentally taking over the rolling mill at Pootung, closed years ago.

Sir Arthur Salter Sees Progress in China

Sir Arthur Salter, on his return to London April 18 from his mission to the Far East, where he served as financial adviser to the National Economic Council, stated in an interview that from an economic point of view, the situation in China had shown some deterioration since he last visited China three years ago; nevertheless, much economic reconstruction was proceeding in China. In this connection he specially cited the building of highways, the importance of which was fully realized by the National Government. He also said that there been a considerable development in lighter industries. If the present stabler political conditions were maintained, he added, the way should be open to marked development, particularly among enterprises in which westerners were interested.

Greater Shanghai to Adopt Retrenchment Policy

The Shanghai *Chen Pao* says the Municipal Government of Greater Shanghai will adopt a rigid retrenchment policy this financial year owing to the small revenue, which is insufficient to cover the expenditure as indicated by the budget.

Bids for Bridge Across Chientang River to Be Invited in June

Preparations for the construction of the steel bridge across the Chientang River (about a mile long) have been completed. Bids for the undertaking will be invited from June 18 next. According to present plans, work on the projected bridge will be started in the middle of July. The work is scheduled to be completed within two years. Construction of the bridge is said to entail a total expense of $5,000,000. In order to raise this needed amount, the Chekiang authorities have secured a loan of $2,000,000 from the Chinese Banks in Shanghai, which will be paid over in installments. The first installment is due for payment in June this year. The lower section of the bridge will carry the tracks of the Shanghai-Hangchow Railway, and the upper section will be for motor traffic. The sides will be reserved for foot traffic. The work will be in charge of Mou I-sheng, Director of the Engineering Bureau.

Geological Inspection Commission Leaves for Szechuen

The Inspection Commission formed by the Chinese Engineers' Commission for the purpose of investigating into the mineral resources in Szechuen left Shanghai for Szechuen April 16 under the leadership of Hu Shu-hua, president of Hunan University. The expenses of the Commission will be borne by General Liu Hsiang, Commander-in-Chief in Szechuen.

Liu Ching-shan, Director of the North-western office of the National Economic Council, attended a meeting of the Sian Chamber of Commerce April 17 when he gave details of the the work now being undertaken by the Council for the industrial and commercial development of the North-west and sought their cooperation. It was suggested to Mr. Liu that the pine forests at Nan Shan (mountain) could provide all the wooden sleepers required for the unfinished section of the Lung-Hai Railway now under construction.

Chamber of Commerce Urges Reduction of Export Duty on Eggs

Reduction of the Customs export duty on eggs is urged by the Greater Shanghai Chamber of Commerce in a petition to the Ministry of Finance. There has been a steady decline in the egg export trade during the past four years, the Customs figures showing that there has been a regular drop in exports in 1930 of $79,710,940 to $36,489,477 in 1933. The Egg Merchants Guild claims that the increase of the export duty after the revision of the tariff schedule in 1931 is one of the principal causes for the decline.

Factory Owners Meet and Discuss Labor Problems

The representatives of the various Chinese factories in Shanghai held a meeting April 16 to discuss measures for preventing further strikes in their respective factories. At the meeting measures were discussed for close co-operation between employers and employees—which they regarded as the most effective way to avoid strikes with the workers.

The Shanghai Organization in Support of Native Product Movements has issued a circular statement strongly supporting General Chiang Kai-shek in his latest orders prohibiting further strikes and lockouts in industrial circles. The Association declares that Chinese industries have reached such a critical stage that further strikes and lockouts would destroy the entire organization completely and give foreign merchants a better chance to throw their products on the Chinese markets.

The recent circular order of General Chiang Kai-shek, prohibiting strikes and lockouts as measures for settling capital-labor disputes is stated to have elicited an enthusiastic response from labor circles. At a joint conference of the labor unions at the Nanking April 18 unanimous approbation of the order was shown. The Labor Unions say they will strictly refrain from declaring strikes in the future, but at the same time they express the hope that the Government will devise means to insure fair treatment of the workers by their employers.

Ministries Devise Plan to Help Silk Industry

Measures for the relief of the silk filatures in Shanghai have been jointly devised by the Ministries of Finance and Industry.

It is understood that these measures provide that the Greater Shanghai City Government will be instructed to give urgent relief in the form of cash loans; that the railway and steamer freight charges on native silk will be reduced, and that the Executive Yuan will be petitioned to instruct all Provincial authorities to abolish miscellaneous levies on native silk.

Peiping Comment on the Proposed Development Company

The Peiping *Yi Shih Pao* comments:—"According to Chinese telegraphic advices from Shanghai T. V. Soong and Dr. H. H. Kung are busy making preparations for the organization of a finance development corporation. It is stated that the purpose of the corporation is to facilitate the participation of foreign capital in the development of China. During his world tour last year Mr. Soong, the then Minister of Finance, did his best to interest foreign capital in China. He particularly tried to induce the League of Nations to participate in the development of China. It is said that the present Finance Development Corporation owes its inception of Dr. Rajchmann, the League representative attached to the National Economic Council. If this report is true, there is no doubt that the principal task of the corporation is to absorb foreign capital for reconstruction enterprises in China. The advantages of such a syndicate are obvious. In the first place, foreign capitalists can invest their money in the corporation instead of doing so directly. Direct investment is not only risky but may arouse the opposition of the governments or governments of the investors concerned. If foreign capital participates directly in the development of China, there is a possibility of total loss in the event of business failure. We hope that the promoters will take the lesson of the Central Bank of China to heart and avoid the mistakes of the latter. Owing to its connetion with the Government, the Central Bank has virtually become a Yamen. Its employees draw, Kung will again become president of the board of directors of the Finance Development Corporation it is to be hoped that he will not fill it with his own men."

Delinquent District Magistrates Punished ---Salaries Reduced

Judgment in six impeachment cases against District Magistrates was rendered by the Committee for the Disciplinary Punishment of Public Functionaries in Nanking April 16. The delinquent officials are:—

Chen Chin-yu, District Magistrate of Lishui, Kiangsu, having been found guilty of selling false documents), will suffer a 10% reduction in salary for a period of six months.

Wu Chun-lin, formerly District Magistrate in Hupeh, having been found guilty of violation of law and dereliction in official duty, will be demoted two grades.

Chiang Po-chang, District Magistrate of Chengyang, Kiangsi, having been found guilty of violation of law and dereliction in official duty, will be given two demerits.

Chao Chung, District Magistrate of Kiangning, Kiangsu, having been found guilty of acceptance of bribes and violation of law, is to be dismissed from office; and will be suspended from the civil service for a period of two years.

Tang Cha-kwang, District Magistrate of Chaotung, Yunnan, having been found guilty of negligence in official duty, thus allowing the escape of convicts, will be demoted one grade.

Sung Kwang-shou, District Magistrate of Chintung, Yunnan, having been found guilty of negligence in official duty, resulting in the escape of convicts, will suffer a ten percent reduction in salary for a neriod of three months.

Fang Ta-chih, formerly Provincial Commissioner of Reconstruction for Hupeh, was publicly reprimanded in a notice issued at Nanking April 17 by the Committte for the Disciplinary Punishment of Public Functionaries for negligence in official duty in connection with the flood prevention work.

Further Contributions to Rhoda Cunningham Endowment Fund

The Rhoda S. Cunningham Endowment Fund for The Shanghai American School reached a total of $8,631.20, up to April 25.

Mr. & Mrs. W.C. Belknap, in memory of Mr. T. C. Britton	$ 10.00	mon, in memory of Mr. T. C. Britton	10.00
Mr. & Mrs. C.S. Franklin	15.00	Mr. & Mrs. A. E. Schumacher	10.00
St. Patrick's Society Committee	50.00	Executive Committee of B.W.A.	20.00
Mr. & Mrs. F. E. Vincent	25.00	Mr. & Mrs. Thos. R. Abbott	10.00
American Trading Co.	25.00	Mr. S. Lord, in memory of Tom Britton	10.00
Red Cross Society of China	20.00	A Friend	10.00
Lord & Lady Li Ching Mai	50.00	El Oriente Fabrica de Tabacos Inc., Manila, P. I. per Harry A. Lee	25.00
Mr. & Mrs. Arthur T. Heuckendorff	10.00	Mr. & W. R. Rice, in memory of Mr. T. C. Britton	10.00
Mr. & Mrs. E. W. Langdon	10.00	Previously acknowledged	$8811.20
Mr. & Mrs. H. H. Solo-		Total	8631.20

Contributions should be sent to: Mr. R. J. Corbett, Hon. Treasurer, c/o Standard-Vacuum Oil Company, 94, Canton Road.

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CHINA WEEKLY REVIEW

160 Avenue Edward VII, Shanghai

The Development of Mining Industry in China

BY HUANG CHIN-TAO (黃金濤)

(Continued from last week)

II. *Gold placers*—are distributed in Liaoning, Outer Mongolia, Heilungkiang, Kirin, Sinkiang, Kansu, Jehol, and Szechuen.

1. *Liaoning*—in Chaihopu (柴河堡) of Tiehling Hsien (鐵嶺縣) on the Liao River (遼河), Wantientze (灣甸子), Shimaotze (石廟子), Wufungliu (五鳳樓) on the Huang River (渾河), Sanmuchang (杉木廠), Kintaoyu (寬斗峪), Nosiangkou (和尚溝) on the upper Taitze River (太子河) Fengchang (鳳城), Ai-ho (靄河) on the Amur River (鴨綠江); Hailung (海龍) and Hsiangluyingtze (香爐營子) on the Sungaria; and Tamiaoerkuo (大廟兒溝) of Tunghua Hsien (通化縣).
2. *Outer Mongolia*—in Tushiyituhan (圖什業圖汗) and Chuchenhan (車臣汗).
3. *Heilungkiang*—in Chilahlin (吉拉林), Anaya (阿拉雅), Chechiho (奇乾河) on the Ulkonar River (額爾古納); Yuchinkou (餘慶溝) of Moho (漠河), Kuanvinshan (觀音山), Tuluho (都魯河) of Kumarho (庫瑪兒河) on the Amur River; Wutungkiang (梧桐江) on the Sungari River.
4. *Kirin*—in Yelan (依蘭) on the Peong River (牡丹江), Shinlungkou (興隆溝) of Mishan Hsien (密山縣), Liansuchantze (水泉子種) of Mohlin Hsien (穆陵縣), Wufuling (五虎林) of Ling An Hsien (寧安縣) on the Wusuli River (五常里河); Tungling (東寧) on the Suefun River; Pochiokou (百草溝) of Wanchin Hsien (汪清縣), Fongmihkou (蜜蜂溝), Sandoukuo (三道溝) of Yeucheh Hsien (延吉縣), Loulunkuo (老龍口) of Yangchung Hsien (琿春縣) on the Toman River; Chapeakou (夾皮溝) of Huatien Hsien (樺甸縣), Turtoukou (頭道溝) of Panshi Hsien (石盤縣) on the Sungari River.
5. *Sinkiang*—in Kueitsunho (奎屯河) of Wussu Hsien (烏蘇縣), Manaitzeho (瑪納斯河) of Suilan Hsien (綏來縣), Wutukou (無度溝) of Chensi Hsien (鎮西縣), Tein Hsien (闐縣), Chimi Hsien (且末縣), and Chitai Hsien (奇台縣).
6. *Kansu*—in Tonwang (燉煌), Tsiuchuan (酒泉), Kunong (古浪), Tatung (大通) and Sining Hsien (西寧等縣).
7. *Jehol*—in Tienchiaying (鐵家營) of Fengning Hsien (豐寧縣), Shitzeho (獅子河), Tamiaoho (大廟河) of Chengte Hsien (承德縣), Wakou (窪溝), Miyuinshiang (密雲鄉) of Pingchuan Hsien (平泉縣).
8. *Szechuen*—in Changla (漲壩) of Sungpan Hsien (松潘縣), Suichingtsun (綏靖屯) of Mokung Hsien (懋功縣), Panlanshan (盤蘭山) of Yueowuei Hsien (越巂縣), Yakutaitze (雅沽台子) of Minning Hsien (冕寧縣), Kueili and Yenfeng (窪蓋潿房) of Yenyuan Hsien (鹽源縣).

Silver, Lead and Zinc Ores

1. *Hunan*—in Suikoushan (水口山) of Changning (常寧縣) lead and zinc, Kuanshan (官山) and Tuanshan (段山) of Linsiang Hsien (臨湘縣)-lead., Tuichuling (堆車嶺) of Pin Hsien (郴縣)-lead., Chaikungtang (齋公塘) of Yuchang Hsien (汝城縣)-lead.
2. *Hupei*—Hofeng (鶴峯), Suanyin (宣恩), Chitsun (圻春), and Yunsi Hsien (鄖西各縣)-lead.
3. *Chekiang*—Kaowukeng (高塢坑) of Chuki Hsien (諸暨縣)-zinc, Lungchushan (龍珠山) of Linhai Hsien (臨海縣)-zinc, Yungkia Hsien (永嘉縣)-lead and zinc., Yinkengtsun (銀坑村) of Tangchi (湯溪)-lead., Yinshankang (銀山岡) of Kin Hsien (鄞縣)-silver.
4. *Fukien*—Ningte Hsien (寧德) and Kangtso Hsien (光澤等縣)-silver and lead, Shitsoshan (石竹山) of Minhou Hsien (閩侯縣)-silver, Chiloshan (棲樂山) of Yungtai Hsien (永泰縣)-lead.
5. *Szechuen*—Yiwansui (一碗水) of Hueili Hsien (會理縣) lead and zinc.
6. *Yunnan*—Tungchuan Hsuen (東川縣)-Lead and silver, Louping Hsien (羅平縣)-zinc.
7. *Jehol*—Lunghua (隆化), Luanping (灤平), Pingchuan Hsien (平泉等縣)-silver.
8. *Liaoning*—Huatungkou (化銅溝) of Kaiping Hsien (蓋平縣)-lead, Laojenkou (老人溝) of Huanhua Hsien (桓化縣)-lead and silver, Erpantientze (二棚店子) of Huanhua Hsien (桓仁縣)-lead and zinc, Chingchengtze (青城子) of Fengcheng Hsien (鳳城縣)-lead.

Copper Ores

1. *Yunnan*—Tungchuan (東川), Lunan (路南), Liensui (永建), Hsunwei (宣威) Paoshan (保山), and Yungpei (永北).
2. *Szechuen*—Peng Hsien (彭縣), Tienchuan (天泉), Hueili (會理), Jungchin (榮經) and Yuehkwuei (越巂) Districts,
3. *Kueichow*—Weining (威寧), Pitsieh (畢節), Suicheng (水城), Tating (大定) Districts.
4. *Liaoning*—Penchi (本溪), Huanjen (桓仁) Districts.
5. *Kirin*—Shitsuishan (石嘴山) of Panshi Hsien (盤石縣). Tienpaoshan (天寶山) of Yenki Hsien (延吉縣) and Laotoukou (老頭溝) of Yenki Hsien (延吉縣).

Other provinces are Kansu, Sinkiang, Sikiang, Kiangsu, Chekiang, Hopei, Honan, Shangtung, Shansi, Shensi, Hupei, Hunan and Fukien.

Manganese Ores

1. *Hunan*—Slangtan (湘潭), Yohyang (岳陽), Changning (常寧), Laiyang (來陽), Yunghsing (永興), Youhsin (攸縣), Pinghsien (郴縣) and Yuchang (汝城).
2. *Kiangsi*—Loping (樂平).
3. *Kuangtung*—Chinhsien (欽縣), Fengchen (防城), Luoting (羅定), Poa-An (寶安).
4. *Kuangsi*—Wusuan (武宣), Kweiping (桂平), Laiping (來賓), Maping (馬本).
5. *Liaoning*—Hsingcheng (興城), Fengcheng (鳳城).

Tin Ores

1. *Yunnan*—Kuotsiu (箇舊)
2. *Hunan*—Anyuan (安源) of Pin Hsien (郴縣), Hsianghualing (香花嶺) of Linwu Hsien (臨武縣), Shanwupu (上五舖) and Chienshan (尖山) of Kianghua Hsien (江華縣).
3. *Kuangtung*—Tienpai (電白), Tsiehyang (揭陽), Tzekin Hsien (紫金縣).
4. *Kuangsi*—Fuchuan (富川), Ho Hsien (賀縣), Chungshan (鐘山), Hochi (河池) Nantan (南丹) Districts.
5. *Kiangsi*—Tayu (大庾), Chunyi (崇義), Nankong (南康) Districts.

Antimony Ores

1. *Hunan*—Shikwongshan (錫礦山) of Sinhua Hsien (新化縣), Panchi (板溪) of Yiyang Hsien (益陽縣), Kantzeyuan (柑子園) of Anhua (安化縣), Shaoyan (邵陽), Yuanling (沅陵), Sin-Ning (新寧), Tungan (東安), Szupu (溆浦) Districts.
2. *Kuangtung*—Chukiang (曲江), Lochang (樂昌), Mei Hsien (梅縣), Yuyuan (乳源) Districts.
3. *Kuangsi*—Fengyi (奉議), Tinpao (天保), Hochi (河池), Nantan (南丹) Maping (馬平), Yi-ning (義寧) Districts.
4. *Yunnan*—Wenshan (文山), Kuangnan (廣南), Ami (阿迷), Pingyi (平彝) Districts.
5. *Kweichow*—Tu gjen (銅仁), Tatang (大塘), Hsinghua (興化) Districts.
6. *Szechuan*—Paohsing (寶興).

Mercury

1. *Hunan*—Houtzeping (鞍子坪) of Fenghuan Hsien (鳳凰縣).
2. *Kweichow*—Yunchangpin (雲場坪) and Tatungla (大銅喇), of Tungjen (銅仁) and Shenchi (省溪), Tafatung (大發銅) and Yangwu (羊烏) of Pachi (八寨).
3. *Szechuen*—Lungmenchang (龍門廠) and Chusachi (硃砂溪) of Youyang Hsien (酉陽縣).

Tungsten and Molybdenum

1. *Kiangsi*—Tayu (大庾), Lungnan (龍南), Anyuan (安遠), Kan Hsien (贛縣), Hueichang (會昌), Nankong (南康), Sheinyou (上猶), Suehchuan (遂川), Chunyi (崇義), Hsien—Tungsten, Tayu (大庾)—Molybdenum.
2. *Kuangtung*—Wongyuan (翁源), Lochang (樂昌), Weiyang (惠陽), Pao-an (寶安) Tsiehyang (揭陽), Wuhua (五華), Yinping (恩平), Tsukin (紫金) Haifeng (海豐), Chungshan (中山), Chih Hsing (始興). Hoyuan (河源), Tungkwan (東莞), Tsunghua (從化)-Tungsten, Weiyang (惠陽), Wongyuan (翁源), Chih-hsing (始興), Wuhua (五華)—Molybdenum.
3. *Hunan*—Tsuhsing (資興), Linwu (臨武), Yudhen (汝城), Kweitung (桂東)—Tungsten.
4. *Fukien*—Changlo (長樂), Siapu (霞浦), Kienyang (建陽)—Tungsten, Ningteh (德寧), Yungtai (永泰)—Molybdenum.
5. *Chekiang*—Tsingtien (青田)—Molybdenum.
6. *Hopei*—Tzian-an (遷安), Funing (撫寧)—Tungsten.

Nickel

1. *Szechuen*—Huili (會理).

Cobalt

1. *Yunnan*—Suanwei (宣威), Lunan (路南), Chentien (尋甸), Chengkung (呈貢), Chinyi Districts (霑益等縣).
2. *Fukien*—Fu-an Hsien (福安).

Aluminum

1. *Shantung*—Tsupo Hsien (淄博).
2. *Chekiang*—Pinyang Hsien (平陽縣).
3. *Fukien*—Futing Hsien (福鼎縣).
4. *Anhui*—Lukiang Hsien (廬江縣).

Coal Reserve

1. *Shansi*—Coal fields distribute extensively in the province in enormous quantities. The quality of the coal is also excellent. This province may be considered to be the

center of the country's reserve. The more important coal districts are Yangchu (陽曲), Chincheng (晉城), Shouyang (壽陽), Pingting (平定), Yu Hsien (盂縣), Fensi (汾西), Tatung (大同), Taiyuan (太原), Hsiaoyi (孝義), total resources amount to 120,000,000,000 tons.

2. *Shensi*—Coal fields scatter over the northwest, central-west, and southwest of the province, amounting to 70,000,000,000 tons.

(To be continued)

Opportunities for Trade With American Firms

Persons interested in the following trade inquiries have been requested to apply to the American Consulate General in Shanghai, giving the number of the particular item.

31.—Furniture manufacturers in Los Angeles are desirous of contacting a representative in this territory willing to handle their line on a commission basis.

32.—A firm of exporters, New York City, wishes to be represented in this market.

33.—Representatives of an American chemical company have established an office in Shanghai and are prepared to design, construct and put into operation chemical plants of all kinds and capacity, and act as chemical consulting engineers.

34.—A Los Angeles firm desires to get in touch with concerns dealing in raw hogs bristles.

35.—A San Francisco importer and exporter wishes to contact manufacturers in China of camphor wood chests, also producers of camphor wood.

36.—An importer in Grand Forks, N.D., desires to communicate with exporters of Oriental art goods.

37.—A party in Peiping wishes to act as representative of American firms.

38.—A San Francisco firm specializing in fine linens and embroideries announces the arrival in Shanghai on March 30 of its representative, who desires to contact large dealers in this line of goods.

39 (281).—A New York firm wishes to market electric refrigerators and cash registers.

40 (282).—A New York firm wishes to market tin plate.

41 (283).—A Brooklyn firm desires to market raw material for chewing gum.

42 (284).—A New York manufacturers' agent wishes to establish an agent for high grade tool steel.

43 (285).—A member of the Los Angeles Chamber of Commerce desires an agent for a line of neckties.

44 (286).—A New York firm of importers of Chinese produce and general exporters desires a local connection.

45 (287).—A New York firm desires to market cardboard for packing handkerchiefs.

46 (288).—A New York firm wishes to market its machine tools.

47 (289).—A San Francisco firm desires to market fresh and dried fruit.

48 (290).—A New York firm wishes to market its concentrated food beverage.

49 (291).—A Chicago forwarding houses desires to make connections with a local customs house broker.

50 (292).—An individual in Alaska offers quantity shipments of reindeer horns.

51 (293).—A New York firm offers its nationally known line of radios.

52 (294).—A Brooklyn firm offers house and marine paints.

53 (295).—A Buffalo firm offers a well known line of rat and cock-roach exterminators.

54 (296).—A Seattle, Washington firm offers a line of biscuits and cakes.

55 (297).—An Oakland, California firm offers heating stoves burning Diesel oil.

56.—A firm in Korea in general import and export, agricultural, lumber and mining business wishes to enter into partnership with interested party.

57.—A Springfield, Ohio, firm desires to market its bathing pool equipment (slides, springboards, etc.) in this country.

58.—A firm in California, selling re-treaded automobile tires, desires to appoint a general distributor here.

59.—An individual in New York City would like to get in touch with exporters of rooster neck and various feathers used by the fishing tackle trade.

60 (298).—A New York firm desires to market playing cards.

61 (299).—A New York firm desires to obtain an agent for toilet preparations.

62 (300).—A gentleman in New York desires employment in the automobile or aircraft industry.

63 (301).—A gentleman in Saginaw, Michigan, desires employment as an instructor in drama.

64 (302).—A San Francisco gentleman desires to act as purchasing agent for local firms.

65 (303).—A Michigan manufacturer of high-grade padlocks desires to enter the local market.

66 (304).—A New York firm desires to market printing ink.

67 (305).—A Chicago firm offers a line of radio receivers.

68 (306).—A New York firm is interested in obtaining connections to market drugs, chemicals and proprietary medicines.

69 (307).—A New York firm offers condensers and dyes.

70 (308).—An Illinois firm desires to market bottle caps.

71 (309).—A Seattle firm desires a connection wtih a firm interested in putting money into American mortgages.

72 (310).—A New York firm offers a line of oilcloth and imitation leather for shoes.

73 (311).—A Utica firm offers spray pumps, lawn sprinklers, etc.

74 (312).—A New York firm desires to contact x-ray dealers.

75 (313).—A New York firm offers stock feeds for hogs and poultry.

76 (314).—A New York firm desires to market a paper stapler of new design.

77 (315).—A New York firm offers a line of cash registers.

78 (316).—A New York export agent offers lubricating oils, pocket-books, razor blades and miscellaneous items.

79 (317).—A St. Paul firm offers Douglas fir and fir plywood.

80 (318).—A Los Angeles firm offers a kerosene burning floor furnace.

81 (319).—A California ranch desires to export American horses.

82 (320).—A New York broker offers relaying rail and used railway equipment.

83 (321).—A St. Louis firm desires to export proprietary medicines.

84 (322).—A New York firm offers a line of American wines.

85 (323).—A Chicago firm offers baking powder in bulk.

86 (324).—A New York firm offers tin plate and scrap metal.

87 (325).—A Wisconsin firm offers American plywood for aircraft purposes.

88 (326).—A Seattle firm offers steel railway rails.

89 (327).—A Detroit firm offers Tru-Pitch propellors for water craft.

90 (328).—A New York manufacturers' agent wishes connection to market electrical household utilities, refrigerators, radio sets, etc.

91 (329).—A Bellingham firm has excellent facilities for producing wooden textile spindles to order.

92 (330).—A New York firm offers metal alloys.

93 (331).—A Baltimore firm offers cast iron bath tubs and other sanitary ware.

94 (332).—A New York manufacturers' agent offers ready-made clothing for men and boys.

95 (333).—A New York firm offers cosmetics.

96 (334).—An Ohio firm desires to market dried apples.

97 (335).—An Oakland firm offers Diesel engines for marine and automotive purposes.

98 (336).—A Wisconsin firm offers a line of heavy Diesel trucks.

99 (337).—A California firm offers used aviation equipment.

100 (338).—A New York manufacturers' agent desires to hear from firms interested in radio receivers.

101 (339).—A New York firm offers a complete line of radios.

102 (340).—A New York firm offers silicon carbide for making abrasive wheels.

103 (341).—A New York firm offers a line of tobacco flavoring extracts.

104 (342).—A New York firm offers plumbing and sanitary fixtures.

105 (343).—A New York broker offers textiles in remnant and job lots.

106 (344).—A Los Angeles firm offers used railway equipment.

Appeal Against Control Order Rejected by Ministry

The appeal of the Shanghai Chinese Cotton Goods Exchange against a recent order of the Cotton Control Committee of the National Economic Council in regard to the purchase of new cotton yarn was rejected by the Ministry of Industry April 18. The order in question was to the effect that the Cotton Exchange should refuse to take in new cott n yarn so as to stabilize prices. In its decision, the Ministry pointed out that stabilization of the price of cotton yarn is one of the most urgent measures for the relief of the domestic cotton industry. As the recent steady decline in price is due largely to the accumulation of old stocks in the Exchange and the inferior quality of the goods, the action called for by the order of the Cotton Control Committee of the N. E. C. is obviously necessary in order to arrest this downward trend, it is urged.

In order to train workers for the improvement of cotton cultivation and development of the cotton industry in China, Dr. Tsai Yuan-pei, President of the Academia Sinica, announced last week that plans have been made jointly by the Academia Sinica and the Cotton Commission of the National Economic Council for the establishment of a Cotton Research Institute at Shanghai. The estimated expenses of the proposed Institute have been fixed at $760,000, which will be shared equally by the National Economic Council and the Academia Sinica.

Chinese Cotton Industry in Difficult Situation

A recent Shanghai message to the *Osaka Asahi* stated tha Shanghai bankers have unsecured loans totalling $20,000,000 to $30,000,000 to recover from Chinese spinners who have huge unsold stocks on hand. One or two banks are stated to be inclined to control debtor mills, and have already started a comparative study of Japanese mills. There is reason to believe that a certain Chinese mill has approached Japanese spinners in China with a request to manage it on a consignment basis, it is alleged.

Japanese Feel Restriction of Imports by Netherlands Indies

A cable message reaching the South Seas Association in Tokyo April 19 from its representative in Java stated that the Government of the Netherlands Indies is to introduce a Bill to the National Council for a law restricting general imports, presumably for the purpose of providing better protection to the Netherlands traders. The application of such law is detrimental to the Japanese merchants in the Netherlands Indies, the message stated.

Text of Indo-Japanese Trade Treaty Goes to London by Plane

In order to hasten the formal signing of the new Indo-Japanese trade convention, initialled in New Delhi April 20 Takashi Otaki, a Japanese consular official, left Calcutta by airplane for London carrying the initialled instrument. Upon their arrival in London, the documents may undergo a few changes in wording, it was indicated by the Japanese Foreign Office officials, but formal signatures of Mr. Matsudaira, Japanese Ambassador in London, and Sir John Simon, British Foreign Secretary, are scheduled to be affixed to the convention some time late in April.

Real Estate Review by Realty Investment Co.

Last week the majority of the permits for new buildings were in the Western District just west of Tibet Road. This week they continue in the same district and to the west; the first permit is on the corner of Avenue and Chengtu Roads. It includes 6 foreign shopes, 5 Chinese Shops and 4 Chinese Hongs. Another permit is on Chengtu Road, between Sinza and Soochow Roads and is for 7 Chinese houses. A little West at Shanhaikwan and Tatung Roads, plans call for 29 Chinese shops, 9 Chinese Hongs ann 2 gate houses. The largest permit is for 62 Chinese Hongs, 1 Residence, 1 block of staff quarters and 4 garages on Medhurst Road at Markham Road, another is for 17 Chinese houses.

Two permits are just off Connaught Road—one off Ferry Road, North of the intersection for a large shed and dining room, the second is South of Connaught Road, off Tonquin Road and is for 7 Chinese houses.

Another is on Feray Road, South of Robison Road. and is for another group of 7 Chinese houses.

The last one in this district is for 2 Godowns on Soochow Creek, off Ichang Road, near Ferry Road.

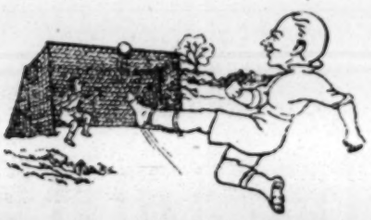
In the Eastern District the largest permit is on Urga & Point Roads, and is for 52 Chinese houses and 11 Chinese shops. Another is for a large temporary store shed off Linching Road and the corner of Hochien Road. Still another for industry is for a Boiler Room on Chempulpo Road, South of Kwenming Road on Yangtszepoo, and also Liangchow Road Extension 13 Chinese bungalows.

In the Northern District on North Shansi Road, between Haining and Elgin Roads, 2 Chinese houses, 4 Chinese shops, and on Tsepoo Road, East of North Chekiang Koad, 10 Chinese houses.

In the Freneh Concession on Consulat Petit, 6 Chinese double shops and 2 hongs.

On Route de l'Ouest and Rue du Marche, 19 Chinese shops and 18 hongs.

Few sales have been reported, but it is encouraging to see the volume of building distributed over such a large area and for such varied types.



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The National City Bank of New York, Rates of Exchange

Shanghai, April 25, 1934

Demand selling rate on America:	U.S.$100=Sh. $3.0132
Demand buying rate on America:	U.S.$100=Sh. $2.9851
Demand selling rate on London:	£1 0.0=Sh. $15.557
Demand rate buying on London:	£1.0.0=Sh. $15.360

Latest New York Stock Exchange Quotations

Market—Steady Business Done 1,270,000 Shares

April, 25 1934

1933-34 High	1933-34 Low	Div. $ per Sh.	STOCK	Mon. Apr. 23	Tue. Apr. 24
13¾	3	—	Adams Express	10	10
33	11¼	0.60	Alaska Juneau	20⅝	20⅝
160	70⅝	6.00	Allied Chemical & Dye	148½	148½
107⅛	15½	4.00	American Can	103½	103
19⅝	5⅞	—	American & Foreign Power	10⅝	9⅞
27¼	3¼	—	American Metal Company	25½	24½
53½	10⅝	—	American Smelting	44⅜	43½
134⅝	86½	9.00	American Tel. & Tel.	122½	122
94⅝	50⅜	5.00	American Tobacco "B"	72¾	72½
43¼	10⅞	1.00	American Waterworks	21½	21⅛
22⅞	5	—	Anaconda Copper	16⅝	16½
18⅝	5⅜	—	Atlas Corporation	13⅝	13⅝
84¼	31	2.00	Auburn Automobiles	41	41
37⅜	8¼	—	Baltimore & Ohio	29⅛	29
49½	10⅜	—	Bethlehem Steel	42⅝	42½
37⅞	18	1.60	Borden Company	25⅜	25¾
28½	5½	0.25	Borg Warner	25⅜	26
20⅞	7¼	—	Canadian Pacific Railway	16⅝	16⅝
103½	30½	—	Case, J. I.	70¼	69
47⅞	16⅝	1.40	Chase National Bank	30½	31
52½	14⅞	2.50	Chesapeake Corporation	47⅛	Unq.
59	7⅝	1.00	Chrysler Corporation	52½	52
28⅛	9	0.50	Columbia Gas & Electric	16	15½
6⅛	1⅜	—	Commonwealth & Southern	2⅜	2⅜
64⅛	34⅜	3.00	Consolidated Gas of N. Y.	38¼	38¼
21⅞	4⅞	—	Continental Oil	22⅜	22¼
9	2⅝	—	Coty Inc.	6⅞	6⅝
5⅛	1½	—	Curtiss Wright Company	4⅛	4
102⅝	32½	*2.00	Du Pont de Nemours	96⅝	97⅝
95¾	46	3.00	Eastman Kodak	95½	93⅝
41⅝	10	—	Electric Bond & Share	17⅝	17⅛
15⅝	3⅛	—	Electric Power & Light	7⅛	7⅛
19	12	—	Fox Film "A"	16	16
10⅝	2⅞	—	General Aviation	Unq.	6
30⅛	10½	0.40	General Electric	23⅛	22⅞
39⅞	21	1.50	General Foods	35⅝	35½
41½	10	*1.00	General Motors	38⅝	39⅛
49½	13¼	1.00	General Railway Signal	42¾	41
27⅝	12	1.20	Gold Dust	22⅜	22⅝
47½	9¼	—	Goodyear Tire & Rubber	36½	32
40	6½	—	International Cement	29⅞	30¼
46⅛	13⅝	0.60	International Harvester	42	41½
29	6⅝	—	International Nickel	28¼	28⅝
21⅜	5⅛	—	International Tel. & Tel.	14⅞	14⅝
65¼	21¼	—	Johns Manville	57	57
26	7⅝	—	Kennecott	22⅜	21⅝
79⅞	37½	2.40	Lehman Corporation	74¾	74
99⅞	40½	*4.00	Liggett & Myers "B"	96½	95
36½	8½	1.00	Loew's Inc.	34	33¾
25¼	10⅝	1.20	Lorillard P. (Com.)	18½	18½
35⅜	8⅝	—	Montgomery Ward	31½	31⅛
64⅛	16⅞	1.00	National City Bank (bid price)	21½	21½
41⅝	5⅝	—	National Distiller	30	30¼
58½	14	—	New York Central	35	34½
36½	12¾	8%S	North American	19½	19½
96¾	31½	2.00	Owens Illionois Glass	Uqq.	87
31⅞	15	1.00	Pacific Gas & Electric	19⅝	19⅜
6⅞	1⅜	—	Packard Motors	5⅛	5⅛
42½	12¾	0.50	Pennsylvania Railroad	34½	34¼
6⅝	1½	—	Pennroad Corporation	3⅛	3⅛
20	4⅜	—	Phillips Petroleum	20¼	20¼
12¼	3	—	Radio Corporation	8½	8⅝
54⅛	26½	3.00	Reynolds Tobacco "B"	43⅝	43⅞
50⅞	12½	—	Sears Roebuck	50⅝	50
19½	6	1.00	Socony-Vacuum Corporation	17⅛	16¼
28	14¼	2.00	Southern California Edison	19½	18⅝
22½	5⅛	—	Standard Gas & Electric	12⅜	14½
49⅝	22¾	1.00	Standard Oil Co. of N. J.	46⅛	45¼
60⅜	46	3.80	Sterling Products	61½	61¼
9	1½	—	Studebaker	6	6¼
30½	10⅜	1.00	Texas Corporation	27⅜	26⅝
9⅜	2⅝	0.12	Transamerica	7⅛	7
51⅞	19⅜	1.00	Union Carbide & Carbon	46⅛	45½
133¾	61¼	6.00	UnionPacific	133½	132½
46⅞	16½	—	United Aircraft & Trans.	24⅝	23¾
14¼	4⅛	—	United Corporation	6½	6¼
25	14	1.20	United Gas Improvement	16⅞	16⅞
25	2⅞	—	U. S. Rubber	23	23
67½	23⅝	—	U. S. Steel	52	51½
51½	21½	*2.00	Universal Leaf Tobacco	48⅜	50
28⅝	7⅝	—	Vanadium	27	26¼
9⅛	1	—	Warner Bros. Pictures	7⅜	7⅜
58⅝	19⅜	—	Westinghouse E. & M.	40⅞	40
53½	25¼	2.40	Woolworth	54¼	53½
			PREFERRED STOCKs AND BONDS		
44⅞	7¼	—	American & Foreign Power 7% Pfd.	24½	20¼
58½	23⅝	5.00	Amer. & For. Power 5% debs. of 2030	58	56⅝
80	38	6.00	American Waterworks $6 preferred	Unq.	79
46	25	5.50	Cities Service Power & Light 5½s/52	45⅝	46¼
66	25	6.00	Electric Bond & Share $6 preferred	55	54
72¾	20⅛	5.50	Int. Tel. & Tel. conv. 4½s of 1939	71¼	70¼
60⅛	34	5.00	New England Grs & Electric 5s 1947	57¼	57
83	35	6.00	Standard Gas & Elec. 6% notes 1935	83	84

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